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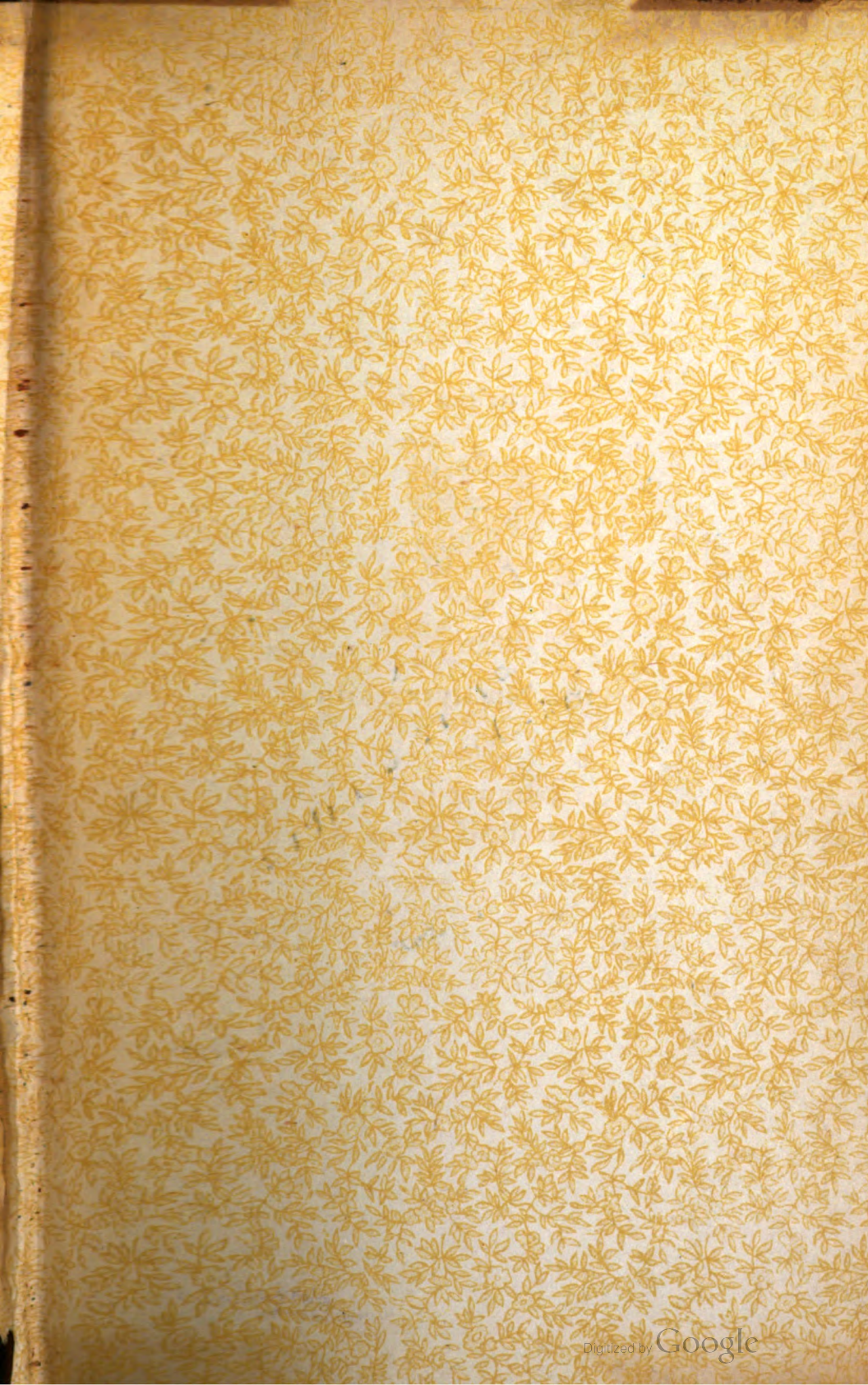
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Fortieth Annual Report
of the
Lehigh Valley R.R. Co. —
" "
Fiscal Year Ending Nov^r 30th
1894.

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1894.

FORTIETH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF THE

Lehigh Valley Railroad Company

TO THE

STOCKHOLDERS.

JANUARY 8th, 1895.

PHILADELPHIA :
ALLEN, LANE & SCOTT'S PRINTING HOUSE,
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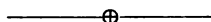


ANNUAL REPORT

OF THE

LEHIGH VALLEY RAILROAD COMPANY

FOR THE FISCAL YEAR ENDED NOVEMBER 30th, 1894.



JANUARY 8th, 1895.

The total tonnage for the fiscal year ended November 30th, 1894, as compared with the previous year, was as follows:—

TOTAL TONNAGE OVER ROAD IN TONS OF 2000 POUNDS.

	1894.	1893.	DIFFERENCES.	
Anthracite coal	11,103,157	11,477,630	Dec.	374,473
Bituminous coal and coke	327,507	345,830	"	18,323
Miscellaneous freights . .	4,690,885	4,951,782	"	260,897
Total	16,121,549	16,775,242	Dec.	653,693

TONS CARRIED ONE MILE.

	1894.	1893.	DIFFERENCES.	
Anthracite coal	1,130,195,335	1,100,454,043	Inc.	29,741,292
Bituminous coal and coke	16,862,073	20,795,772	Dec.	3,933,699
Miscellaneous freights . .	1,004,772,737	927,481,372	Inc.	77,291,365
Total	2,151,830,145	2,048,731,187	Inc.	103,098,958

VOL 3 1 1915 3 16266

AVERAGE FREIGHT RATES.

	1894.	1893.	DIFFERENCES.
Average rate per ton on coal .	73 $\frac{4}{100}$ cents	78 $\frac{2}{100}$ cents	Dec. 4 $\frac{8}{100}$ cents
Average rate per ton per mile on coal	1 $\frac{12}{100}$ cents	1 $\frac{11}{100}$ cents	" 1 $\frac{1}{100}$ cents
Average rate per ton on mis- cellaneous freight	127 $\frac{54}{100}$ cents	121 $\frac{16}{100}$ cents	Inc. 6 $\frac{38}{100}$ cents
Average rate per ton per mile on miscellaneous freight . .	1 $\frac{27}{100}$ cents	1 $\frac{11}{100}$ cents	Dec. 1 $\frac{16}{100}$ cents
Average rate per ton on total tonnage	89 $\frac{16}{100}$ cents	90 $\frac{11}{100}$ cents	" 1 $\frac{55}{100}$ cents
Average rate per ton per mile on total tonnage	1 $\frac{89}{100}$ cents	1 $\frac{90}{100}$ cents	" 1 $\frac{1}{100}$ cents

PASSENGER TRAFFIC.

	1894.	1893.	DIFFERENCES.
Number of passengers carried .	4,812,652	6,306,039	Dec. 1,493,387
Number of passengers carried one mile	102,579,780	131,221,553	" 28,641,773

PASSENGER AVERAGES.

	1894.	1893.	DIFFERENCES.
Average mileage per passenger,	21 $\frac{3}{100}$ miles	20 $\frac{4}{100}$ miles	Inc. 1 $\frac{9}{100}$ miles
Average receipts per passenger,	43 $\frac{7}{100}$ cents	41 $\frac{11}{100}$ cents	" 2 $\frac{6}{100}$ cents
Average rate per mile	2 $\frac{18}{100}$ cents	1 $\frac{9}{100}$ cents	" 1 $\frac{9}{100}$ cents

The transportation earnings of the past year, compared with those of 1893, were as follows:—

	1894.	1893.	DIFFERENCES.
From coal	\$8,391,541 81	\$9,225,027 51	Dec. \$833,485 70
" miscellaneous fgt.	5,982,857 70	6,009,420 73	" 26,563 03
" passengers . . .	2,104,677 12	2,606,025 28	" 501,348 16
" express and mail,	262,590 95	230,617 93	Inc. 31,973 02
" other items . . .	588,926 19	539,685 54	" 49,240 65
	\$17,330,593 77	\$18,610,776 99	Dec. \$1,280,183 22

TRANSPORTATION EARNINGS as above	\$17,330,593 77	
From which deduct proportion due South- ern Central Railroad Company, being surplus earnings over expenses, as per agreement	21,748 50	
	<u>\$17,308,845 27</u>	
Add net receipts from other transportation lines operated conjointly with Lehigh Valley Railroad:—		
New York Lighterage and Transportation Company	\$68,448 00	
Bee Line (tugs and barges)	43,168 42	
Buffalo Creek Railroad	76,679 11	
	<u>188,295 53</u>	
	<u>\$17,497,140 80</u>	
OPERATING EXPENSES'	13,320,829 25	
Net earnings	\$4,176,311 55	
Deduct loss on Lehigh Valley Transpor- tation Company:—		
Operation	149,777 42	
Steamship depreciation	44,785 00	
	<u>194,562 42</u>	
	<u>\$3,981,749 13</u>	
Add income from other sources:—		
Interest on bonds	\$465,888 63	
Dividends on stocks	116,182 40	
Interest on mortgages	50,301 17	
Mine leave	126,674 76	
Miscellaneous items	88,712 01	
	<u>847,758 97</u>	
	<u>\$4,829,508 10</u>	
Less interest on floating debt, State taxes, loss on Morris Canal, &c.	428,697 61	
	<u>\$4,400,810 49</u>	
Net available income		\$4,400,810 49
From which deduct interest on funded debt and fixed rentals of leased lines		<u>4,273,740 00</u>
Surplus		<u><u>\$127,070 49</u></u>

The details of above item of operating expenses are supplied in a table appended to this report.

The balance to credit of Profit and Loss Account November 30th, 1893, was	\$7,291,059 16
Surplus earnings for 1894, as above stated	• 127,070 49
To this are added the following additional items of revenue not pertinent to the year just closed :—	
Gain on water interests	\$178,426 13
Adjustment of tax accounts of previous years	159,404 22
Uncollected wages prior to January, 1886	23,434 34
Excess insurance—tug "E. P. Ross,"	470 00
	<u>\$361,734 69</u>
Less—	
Rental Southern Central Railroad, October and November, 1893	\$25,684 94
Balance old accounts prior to lease	24,019 90
	<u>49,704 84</u>
	<u>312,029 85</u>
Leaving a balance to credit of Profit and Loss, November 30th, 1894	<u><u>\$7,730,159 50</u></u>

The gross earnings of the Lehigh Valley System, including rail and water lines, from transportation, and of the Lehigh Valley Coal Company for coal, wood, &c., have aggregated during the past year about \$35,000,000.

The capital account of the Company at the close of the fiscal year stood as follows :—

Common stock	\$40,334,800	
Preferred stock	106,300	
	<u>\$40,441,100</u>	
First mortgage six per cent. bonds, due in 1898 (coupon and registered)	\$5,000,000	
Second mortgage seven per cent. bonds, due in 1910 (registered)	6,000,000	
Consolidated mortgage bonds, due (excepting sterling and annuity bonds) in 1923 :—		
Six per cent. bonds :—		
Sterling	\$1,329,000	
Coupons	1,319,000	
Registered	4,319,000	
Annuity	8,662,000	
	<u>15,629,000</u>	
Four and one-half per cent. bonds :—		
Coupons	\$1,669,000	
Registered	3,093,000	
Annuity	2,538,000	
	<u>\$7,300,000</u>	
		<u>\$33,929,000</u>
		<u>\$74,370,100</u>

Three hundred and twenty of the sterling bonds were drawn payable December 1st, 1894, leaving \$1,009,000 bearing interest from that date.

The guarantees by this Company of the bonds and stocks of affiliated companies remain as they were a year ago, and are as follow :—

Pennsylvania and New York Canal and Railroad Company :—

First mortgage seven per cent. bonds, due 1896	\$1,500,000	
First mortgage seven per cent. bonds, due 1906	1,500,000	
Five per cent. bonds, due 1939	4,000,000	
Four per cent. bonds, due 1939	3,000,000	
		<u>\$10,000,000</u>

Easton and Amboy Railroad Company, first mortgage five per cent. bonds, due 1920	6,000,000
The Lehigh Valley Rail Way Company, first mortgage four and one-half per cent. gold bonds, due 1940	15,000,000
Lehigh Valley Terminal Railway Company, first mortgage five per cent. gold bonds, due 1941	10,000,000
The Lehigh Valley Coal Company, first mortgage five per cent. gold bonds, due 1933	4,000,000
The Delano Land Company, five per cent. gold bonds, due 1932	1,200,000

Morris Canal and Banking Company :—

Preferred stock, ten per cent.	\$1,175,000	
Consolidated stock, four per cent.	1,025,000	
		<u>2,200,000</u>
		<u>\$48,400,000</u>

The floating debt, represented by notes of the Company secured by bonds of the Lehigh Valley Coal Company as collateral, was at the beginning of the year \$3,870,000. It was reduced during that period \$670,000, being at the close of the year \$3,200,000. A further reduction of \$325,000 has since been made, the amount at this date being \$2,875,000.

To meet this debt and such future expenditures for extensions, new properties, and equipment, as may properly be chargeable to capital accounts, the following securities, which do not include cash assets shown in the balance sheet, are available :—

Six per cent. consolidated mortgage bonds of Lehigh Valley Railroad Company	\$850,000
---	-----------

floating debt
available to

Five per cent. first mortgage bonds of Lehigh Valley Coal Company	\$8,072,000
Five per cent. first mortgage bonds of Schuylkill and Lehigh Valley Railroad Company	2,000,000
Six per cent. first mortgage bonds of Morris Canal and Banking Company	500,000
Five per cent. certificates of Lehigh Valley Terminal Railway Car Trust	893,000
Bills receivable	617,086
Mortgages receivable	938,068
	<hr/>
	\$13,870,154

[NOTE.—The disagreements in some items of this list with the corresponding items of the balance sheet are due to the former being of present date, the latter of November 30th, 1894.]

There is also a margin of \$1,000,000 in the reserve of consolidated mortgage bonds, \$12,000,000 being retained under the terms of the mortgage to meet at maturity the outstanding first mortgage bonds due in 1898, amounting to \$5,000,000, and second mortgage bonds due in 1910, amounting to \$6,000,000. A reserve of \$3,000,000 of the consolidated mortgage bonds of the Pennsylvania and New York Canal and Railroad Company is also provided for the redemption at maturity of the same amount of first mortgage bonds of that company, of which \$1,500,000 mature in 1896 and \$1,500,000 in 1906. No bonds of this Company or of any of its affiliated Companies mature during 1895, except the sterling bonds which are drawn annually for the sinking fund under the provisions of the consolidated mortgage.

A condensed balance sheet, showing the condition of the Company November 30th, 1894, and also a comparison with that of the previous year, is appended hereto. It may be noted as to the increase of the charge against the Philadelphia and Reading Railroad Company that it is due to liabilities of the lessee under the lease, the amount of which was ascertained since the close of the books a year ago. Considerable progress has been made in the adjustment of the accounts between the two Companies during the year, but some important items are still under consideration by the Accounting Departments, under advice of counsel as to the respective liabilities of the Companies.

It has been a matter of much disappointment to your officers and to all interested that the trade conditions of the country have not so improved as to produce net earnings sufficient to justify the resumption of dividends. These conditions are clearly reflected in the tonnage and revenue statements already submitted. While the total tonnage of the past year shows a decrease of 653,693 tons, or nearly 4 per cent., the tons carried one mile (the true test of transportation service rendered) increased 103,098,958 tons, or over 5 per cent.; yet the transportation earnings from all sources decreased over \$1,250,000, as compared with those of the previous year.

The condition of the anthracite coal trade, upon which the Company is so largely dependent, has been particularly bad—worse during 1894 than in the previous year, and especially so near the close of the fiscal year. It will be noted in the foregoing table of rates realized per ton per mile for transportation of all classes of freight during the year, that the rate in 1894 was $\frac{78}{100}$ cents per ton less than in the previous year. This upon the tonnage carried was more than \$1,600,000, or 4 per cent. upon the capital stock of the Company.

The loss to the Company from the strike alluded to in the last annual report, which occurred between November 18th and December 6th, 1893, is estimated at over \$1,000,000. A very large proportion of this loss was sustained during the fiscal year just closed, the increased expenses incident to the strike and the reduction of traffic having continued many weeks after the strike was nominally ended. A diversion of business to other lines also resulted, which has been gradually returning up to the present time. It will be easily recognized that these two items of loss of revenue from the reduced rates of transportation on both coal and general merchandise, and loss incident to the strike, together amount to more than the annual dividends which were current for some years prior to 1892.

It is gratifying to note that the experience of the past year has fully confirmed the expressions contained in the report of last year in reference to the causes and purposes of the strike and the judgment of the management in dealing with it.

Of a total tonnage of anthracite coal during the year,

Reduction
in
tonnage

amounting to 11,103,157 tons of 2000 pounds each, 2,321,390 tons were of coal hauled in the trains of other companies over our tracks, much of it very short distances; 878,180 tons were of coal for use of our own locomotives; and 511,313 tons were of coal in our own trains, giving a short lateral haul between the mines and junctions with other lines controlling the transportation of the coal. These items together constitute $33\frac{4}{10}$ per cent. of the total anthracite tonnage of the year, leaving a tonnage of 7,392,274 tons of 2000 pounds each distributed to local points in our own territory and to terminal points and junctions other than those in the immediate neighborhood of the mines. For the detail of this distribution reference is made to a table appended to this report.

The tables of passenger statistics present some noticeable features, to which we may appropriately call attention. The aggregate number of passengers was reduced about 1,500,000, or over 23 per cent., from the number carried in 1893. The World's Fair traffic, which was generally a long haul, averaging probably 300 miles, must account for a small proportion of this. This, however, has been offset in a large measure by an increase in the through passenger business of the Company between the Atlantic seaboard and the Niagara River, in connection with lines to and from western States. Notwithstanding the loss of the World's Fair traffic, the average distance traveled per passenger has increased from $20\frac{45}{100}$ miles in 1893 to $21\frac{32}{100}$ miles in 1894. This is explained by the opening for business of electric railways between many of the largest towns located upon our system, where previously we have carried large numbers of passengers for short distances at low fares. It may be noted that in the midst of these changes the average rate per passenger per mile has increased from $1\frac{994}{1000}$ cents in 1893 to $2\frac{82}{1000}$ cents in 1894.

In connection with improved train service between New York and Chicago via our line, a high-grade dining car service on the "European" plan has been introduced, which has commended itself to the traveling public.

The advances by this Company to the East Jersey Water Company, which amounted a year ago to \$1,466,287.78, have

been returned during the year from the proceeds of sale of bonds of the city of Newark belonging to the Water Company, alluded to in previous reports.

On January 31st, 1894, a contract was entered into with the Delaware, Susquehanna and Schuylkill Railroad Company, whereby that Company was granted the privilege of running its own trains coal laden to the tidewaters of New York, thus assuring to this Company for a term of 15 years from July 1st, 1894, an important traffic (that of the Cross Creek Coal Company, formerly Coxe Bros. & Co.), for which several outlets existed and which had been in contention for some time previously. It also removed an incentive to the construction of further new lines into the territory tributary to the Lehigh Valley system. Local coal received from the line of that Company continues to be hauled in our own trains, as previously.

That portion of the Pennsylvania, Poughkeepsie and Boston Railroad located between Slatington, on our own line, and the point of junction with the New York, Susquehanna and Western Railroad, a short distance east of the crossing of the Delaware River, has been operated by our Company during the past year under an arrangement with the Receiver of the Pennsylvania, Poughkeepsie and Boston Railroad Company. Its whole line, extending with some intermissions from Slatington to the New York and New Jersey State line, near Campbell Hall, has recently been sold under foreclosure and bought by the bondholders, and the arrangements alluded to are temporarily continued, awaiting the organization of the purchasers and assumption of possession by them.

The line of the Southern Central Railroad Company, extending from near Sayre, Pennsylvania, to North Fair Haven, New York, on the shores of Lake Ontario, 117 miles in length, which has been operated since December 29th, 1886 under an agreement with that Company, passed into the hands of a Receiver in July, 1894, upon application of holders of the consolidated mortgage bonds. The operation of the line has continued in the hands of this Company as agent for the Receiver. This Company holds all of the first mortgage bonds outstanding, amounting to \$90,000, and about 60 per cent.

of the consolidated mortgage bonds. Negotiations are pending with other bondholders with a view to securing such a reorganization as will bring the fixed charges of the Company within the limits of its net earnings, and of substituting in the hands of the bondholders a marketable security in exchange for bonds which, owing to the default of interest, have for several years past had very limited sale.

There being little traffic since the opening of the Company's line between Geneva and Buffalo which could be advantageously passed by us over the line between Geneva and a junction with the main line of the New York Central and Hudson River Railroad Company at Lyons, notice was given to that Company as of December 1st, 1894, for the abrogation of the contract between that Company and this, whereby our trains have been running between Geneva and Lyons.

Arrangements were effected early in the year, whereby loaded cars were delivered without transfer of lading to the New York, New Haven and Hartford Railroad Company at our Jersey City terminal, for transfer to the lines of that Company at the Harlem River and distribution over the large territory tributary thereto. This has opened up a large area for the supply of coal by operators located on our line as well as for the agricultural products of the West received from connecting water and rail lines at Buffalo and Suspension Bridge. The interchange of business under this arrangement has increased to such volume that it has recently been found necessary to provide two additional bridges at the Jersey City terminal for the transfer of cars to floats, the construction of which is now in progress.

Our freight terminals at Jersey City, New York, and Brooklyn have been developed to a high point of efficiency, and have justified the policy of the Company in establishing independent terminals for the accommodation of this class of business. Our passenger business continues to be done at all these points through the terminals of the Pennsylvania Railroad Company; the volume of our passenger traffic has not warranted the cost of instituting independent ferries and passenger stations. We have, however, ample ground and water front at Jersey City should the same be needed.

The increase of business at Jersey City Terminal and contiguous points has involved an expenditure of about \$220,000 for increased facilities. A coal trestle, yard, buildings, &c., were completed at Avenue D. A large building for the accommodation of the United States Express Company at Jersey City has been built. The demands of our patrons for a building in which their shipments of hay could be stored and kept dry seemed to make it necessary, and such a building has been erected. Its capacity is between 300 and 400 cars. It is provided with the most approved appliances for handling the bales and so placing them as to be readily inspected by the purchasers. This improvement has just been completed; it is highly commended by the dealers, and will largely increase our traffic in that commodity. In addition to the other advantages, this house will relieve to a great extent our Jersey City yards and release cars for other service. We have had at one time over 600 carloads of hay standing on side tracks.

A new yard containing four miles of track has been completed, and another of equal capacity has been determined upon. Convenient yards for the economical handling and forwarding of cars are essential to the proper conduct of our large and increasing business. Our traffic to and from New York Harbor through our Jersey City and Perth Amboy terminals reached in 1893 1,337,587 tons, and in 1894 1,641,896 tons, showing an increase of 304,309 tons, or 22¾ per cent.

In the event of our grounds at Jersey City being fully occupied, we have a magnificent domain at Constable's Hook, to which the National Docks Railway (of which this Company is part owner and is represented in its management) has been extended, so that it may be brought into use on short notice when the necessity arises.

Under arrangements effected during the past year with the United States Express Company, the express business over our lines has largely increased. A fast night train from our Jersey City terminal to Buffalo, composed exclusively of express cars, is now found necessary to meet the requirements of this business.

Equipment Necessity having arisen during the past year for an increase of our coal car equipment, 2000 cars of 60,000 pounds capacity each were contracted for, and the delivery of the same has been nearly completed. As the Lehigh Valley Terminal Railway Company had no equipment of its own, it was thought desirable that the ownership of these cars should be vested in that Company. A car trust was therefore created under the name of the Lehigh Valley Terminal Railway Company's Car Trust, to provide the means for the same, under which certificates to the amount of \$1,000,000 will be issued, which have been purchased by the Lehigh Valley Railroad Company. The amount of these certificates, for which payment had been made November 30th, 1894, appears in the balance sheet, and the amount paid for at the date of this report appears in the foregoing list of available securities. This is the only car trust in the Lehigh Valley Railroad System; and all of these *Settlement* certificates are still in the treasury of this Company.

The double tracking of the Mountain Cut-Off has recently been completed. Owing to the frequent congestion of traffic between Pittston and the summit of the Wilkes-Barre Mountain, which has been greater than at any other part of the line between Jersey City and Buffalo, this work was regarded as an absolute necessity.

The Rochester and Honeoye Valley Railroad has been extended into the village of Honeoye Falls, New York, and facilities for passengers and freight provided. These were much needed, and an increased traffic over that line has resulted.

A connection has been built between our line and the Western New York and Pennsylvania Railroad at Wadsworth, New York, by which a considerable interchange of traffic is secured.

At Buffalo a short connection between our line and the yard of the Lake Shore and Michigan Southern Railroad has been built, which avoids much delay and the use of a portion of the Buffalo Creek Railroad.

All of the trestle work on the new road in New York State has been replaced by double-track embankments. The same has been done with the long trestle across the Newark Meadows.

The completion of the Mountain Cut-Off, new branches to

coal breakers, sundry sidings, new depots, water tanks, and other necessary adjuncts, have also involved large expenditures during the year, which are detailed in the tables appended to this report.

Our main line is now a continuous double track from the Hudson River front at Jersey City to Buffalo, a distance of 448 miles. A recent inspection shows that its physical condition, with that of its lateral lines and branches, is much improved over the corresponding period of last year. The same should be said of our motive power and rolling stock.

The practical trial of three years with 45 feet length of rails with mitre joints has proven so satisfactory that they have been adopted as our standard for future use. *Rails*

We have adopted as our standard coal cars the very best now in use. They are of 60,000 pounds capacity; the trucks are made of pressed steel plates known as the Fox Truck; the Master Car Builders' coupler and air brakes to be applied to all. 13,177 of our coal and freight cars are now fitted with these couplers and 8296 with air brakes. These improvements add largely to the cost of the equipment, but they are required by law. *Equipment*

X The policy has been adopted of abandoning all four-wheel coal cars which require large repairs. This is due in part to the economy of using cars of large capacity, and because connecting roads decline to receive four-wheel cars for transportation over their lines. In accordance with this policy 1824 of these cars have been broken up, and 1640 eight-wheel cars (of the 2000 heretofore alluded to) have been added during the year. This substitution has resulted in an increase of 37,796 tons in our coal car capacity.

We have built or purchased the following additional equipment during the past year:—

Locomotives	10
Combination cars	2
Dining cars	2
Express cars	14
Caboose	1
Bark cars	2
Coal cars	1,640
Scale test cars	1

Our equipment on November 30th, 1894, was as follows:—

Locomotives	668
Chair cars	12
Passenger cars	222
Combination cars	55
Dining cars	2
Baggage and mail cars	31
Express cars	30
Special cars	4
Fruit cars	10
Freight cars	16,545
Coal cars, eight-wheeled	10,759
Coal cars, four-wheeled	23,716
Cars used in transportation and roadway departments	792

The total capacity in tons of 2000 pounds of our freight and coal car equipment is as follows:—

Freight cars	414,413 tons
Coal cars	428,801 "
	843,214 "

The length of lines embraced in the Lehigh Valley system, including second track, branches, &c., was as follows, November 30th, 1894:—

DIVISION.	MAIN LINE.		BRANCHES AND SIDINGS. MILES.	TOTAL MILES.
	SINGLE TRACK. MILES.	SECOND TRACK. MILES.		
Easton and Amboy R. R., including all Lines east of Phillipsburg . .	107.91	84.01	149.80	341.72
Lehigh Division	59.22	48.23	117.08	224.53
Wyoming Division	166.15	68.93	153.25	388.33
Beaver Meadow Division	19.67	9.55	20.06	49.28
Hazleton Division	51.47	12.89	51.60	115.96
Mahanoy Division	95.12	40.53	55.89	191.54
Pottsville Division	40.51	. . . .	12.71	53.22
Penna. and New York Division . .	264.43	173.55	121.59	559.57
Buffalo Division	103.93	88.51	92.85	285.29
Auburn Division	159.75	. . . .	36.50	196.25
Penna., Pough. and Boston R. R. .	26.55	. . . .	4.85	31.40
Easton and Northern R. R.	8.04	. . . .	2.11	10.15
Total	1,102.75	526.20	818.29	2,447.24

The following is a summary of the business of the Lehigh Valley Coal Company for the fiscal year ended November 30th, 1894 :—

EARNINGS.

Income from investments	\$72,824 00
Profit on sale of Company's interest in firm of G. B. Markle & Co.	424,500 00
Royalties on coal mined by others from Com- pany's lands	158,925 76
	<u>\$656,249 76</u>

EXPENSES.

Net loss on sales of coal, including shrinkage in value of coal on hand	\$54,758 78
Interest :—	
Debtor balance of general in- terest account	\$17,529 12
On first mortgage gold loan	354,787 17
On Snow Shoe bonds	25,000 00
	<u>397,316 29</u>
State and local taxes not charged against the cost of coal	5,903 26
Sundry salaries and expenses not charged against cost of coal	18,644 22
Damages paid land owners on account of mining	15,980 83
Bad debts charged off during year	101,372 31
	<u>\$593,975 69</u>
Net surplus	<u>\$62,274 07</u>

The decline in the average value of the various sizes of coal in the New York tidal markets during the year was over 70 cents per ton, the average of all sizes for November, 1893, having been \$4.0009 per ton, and that for November, 1894, \$3.2971 per ton. Most other markets were similarly affected. A summary of the sales department of the Coal Company for the fiscal year is appended :—

	TONS.	COST PER TON.	NET RESULT OF SALES PER TON.	GAIN PER TON.	LOSS PER TON.	AMOUNT.
Company's coal .	2,033,793.07	\$1.5580	\$1.7337	.1757	.....	\$357,337 49
Purchased coal .	3,113,747.07	1.8513	1.7337	.....	.1176	366,176 69
Combined . . .	5,147,540.14	\$1.7354	\$1.7337	.....	.0017	\$8,839 20

It will be noticed that the losses upon the purchase and sale of coal exceeded by \$8839.20 the profits upon the coal mined and sold by the Coal Company. These losses are largely due to the fact that the coal in one month is paid for by us at the prices of the month previous, and consequently upon a declining market there must always be a loss upon such purchases, which, however, will be returned to us upon an advancing market.

A balance sheet of the Coal Company of November 30th, 1894, as compared with that of 1893, is appended.

During the year the Railroad Company purchased the leasehold improvements and equipment of Messrs. A. Pardee & Co. in Collieries Nos. 1, 3, 5, and 6 and South Sugar Loaf, located at Hazleton, also the interest of J. C. Haydon & Co. in the improvements, personal property, and mining contract of South Spring Mountain Collieries, and all of these operations will hereafter be conducted by the Coal Company, having been transferred to it on November 1st last.

There are now 54 collieries upon lands in which the Coal or Railroad Company is directly interested, and 5 others, viz., Austin, Annora, Seneca, Phoenix, and Hillman Vein, mining more or less of their product from lands of the Lehigh Valley Coal Company through breakers and openings upon lands in which we are not interested.

We present a table summarized from the report of W. A. Lathrop, General Superintendent, of the tonnage from these collieries as compared with two preceding years:—

	1894.	1893.	1892.
	Tons.	Tons.	Tons.
Amount of coal shipped from collieries owned and operated by this Company	2,061,115	1,748,545	1,454,262
Amount of coal shipped by tenants of this Company	2,822,135	3,157,932	3,096,271
Total	4,883,250	4,906,477	4,550,533
From Wyoming region	1,917,223	1,705,738	1,523,771
" Lehigh "	1,185,696	1,207,503	1,157,543
" Pottsville "	152,441	178,256	116,687
" Mahanoy "	1,627,690	1,814,980	1,752,532
Total	4,883,250	4,906,477	4,550,533

Included in the foregoing is the coal from collieries of G. B. Markle & Co., which will in the future be omitted from the statement, as during the year the Company has parted with its interest in the firm, retaining, however, the sale and transportation of the coal during the life of the leases, as heretofore.

The average breaker time of all the collieries operated by the Coal Company for the year was less than 141 days as against about 183 days in 1893, a very considerable falling off in time worked, yet with a small increase in production. As a result of the improvements made during the past two or three years the combined daily capacity of these collieries has risen from 10,903 tons in 1893 to 13,832 tons in 1894.

As indicating the tendency of the market to an increasing consumption of the smaller sizes, attention is called to the fact that in 1884 93.42 per cent. of the product of the Wyoming collieries was of sizes above pea coal, while in 1894 it was about 74.52 per cent. In the Mahanoy region the percentage has dropped during the same period from 84.87 per cent. to 74.52 per cent.

Our collieries are generally in good condition, and may be expected to yield an increased tonnage in 1895 should the condition of the market warrant it.

Our royalty payments due under leases for coal as yet unmined, show an increase of \$264,267.75 for the year, the total now standing at \$3,077,665.53, which represents the purchase by us of at least 15,000,000 tons of coal yet to be mined without further payment of royalty. This payment was stated in our report four years ago as amounting at that time to about \$2,000,000. There has, therefore, been an increase during that period of over \$1,000,000 in this investment.

There were mined by the Coal Company 316,309 tons, and by tenants 337,732 tons, from properties covered by the Coal Company's mortgage, upon which 10 cents per ton, amounting to \$65,404.16, was paid over to the Trustee in accordance with the provisions of the mortgage.

Since the acquisition of the Hazleton and Jeanesville properties it has been found necessary, in order to lighten to some extent the burden of detail work at our Wilkes-Barre office,

to subdivide the operations of the Mining Department, as follows :—

1. WYOMING DIVISION, comprising all the Company's collieries in the Wyoming region, with Isaac R. Moister as Division Superintendent.
2. LEHIGH DIVISION, comprising all its collieries in the Lehigh region, with Fred. E. Zerby as Division Superintendent.
3. MAHANOVY DIVISION, comprising all its collieries in the Mahanoy region, with Col. D. P. Brown as Division Superintendent.
4. POTTSVILLE DIVISION, comprising all its collieries in the Schuylkill region south of Broad Mountain ; this will be superintended for the present by the Wilkes-Barre office.
5. SNOW SHOE DIVISION, comprising all its bituminous operations in the Centre County field, with James F. Marsteller as Division Superintendent.

This arrangement, while adding but little to the "general office expenses," will materially improve the efficiency of our organization.

Work upon the pier and storage plant at West Superior, Wisconsin, was begun in May last, and has been pushed as vigorously as possible ; it consists of three movable iron towers equipped with automatic buckets of two tons' capacity each, and winding engines, &c., complete for unloading vessels ; two fireproof circular iron buildings, with iron roofs, 246½ feet in diameter and about 90 feet high, with ample machinery for handling, storing, screening, and reshipping anthracite coal, and a plant for storing and reshipping bituminous coal, with a gross storage capacity of 100,000 tons anthracite and 45,000 tons bituminous coal.

Our own tracks upon the property connect directly with those of the Lake Superior Terminal and Transfer Railway Company, through which access is had to all railroad lines centering at the head of the lakes. This plant will be ready for operation upon the opening of lake navigation.

This will be the most complete and substantial plant of its kind in the country, and will put our Coal Company in excellent shape for handling at a minimum cost the business it can reach from the head of the lakes, besides enabling it to send the coal forward in the best possible condition.

Since the close of the year property for a water yard, with in-and-out rail connections, has been secured in South

Chicago, 425 feet by 1750 feet, on the Calumet River, with 16 feet of water. This it is proposed to improve immediately for the coming year's business. This, with improvements in barges, increased car equipment already referred to, and the roofing of South Plainfield, New Jersey, storage plant, strongly urged by the Coal Department, will afford very greatly increased facilities for handling coal and delivering it in best condition.

Mr. Theodore Voorhees having resigned his position as General Manager of the Railroad Company, the office was discontinued in May last, and its duties devolved upon the General Superintendent. The impaired health of Mr. John Taylor, General Traffic Manager, necessitating relief, and for a time entire respite from his exacting duties, Mr. Henry H. Kingston was appointed Assistant General Traffic Manager. No other changes have occurred among our general officers during the year.

Messrs. Joseph Wharton, Thomas McKean, and George H. Myers were elected Directors of the Company in December last, to fill vacancies caused by the resignation of Messrs. Rollin H. Wilbur, William H. Sayre, and Henry S. Drinker.

By order of the Board of Directors,

E. P. WILBUR,
President.

APPEN LEHIGH VALLEY CONDENSED GENERAL BALANCE-SHEET,

ASSETS.	1893.		1894.		INCREASE.	DECREASE.
Railroad	\$18,054,860	14	\$18,242,096	29	\$187,236	15
Construction work in progress	18,537	11	18,132	68		\$404 43
Equipment	21,358,418	82	21,478,468	52	120,049	70
Real estate	2,370,143	05	3,000,221	88	630,078	83
Materials on hand	1,761,275	59	1,400,135	45		361,140 14
	\$43,563,234	71	\$44,139,054	82		
Cash and cash assets	2,107,582	89	2,312,202	74	204,619	85
Due by station agents	\$490,339	76	\$506,075	24	15,735	48
Due by individuals and companies	715,578	39	855,406	25	139,827	86
Bills receivable	98,886	53	617,086	53	518,200	00
	1,304,804	68	1,978,568	02		
Mortgages receivable	236,401	02	836,557	07	600,156	05
Stocks of railroad and canal companies included in Lehigh Valley system	\$15,866,104	31	\$16,042,665	61	176,561	30
Bonds of railroad and canal companies included in Lehigh Valley system	3,493,747	00	3,493,747	00		
Advances to railroad and canal companies included in Lehigh Valley system	5,353,334	95	5,157,354	91		195,980 04
	24,713,186	26	24,693,767	52		
Stocks of allied coal companies	\$1,163,497	93	\$1,163,193	93		304 00
Bonds of Lehigh Valley Coal Co.	10,500,000	00	8,103,500	00		2,396,500 00
Bonds of other coal companies	201,000	00	201,000	00		
Advances to Lehigh Valley Coal Co.	1,549,656	61	2,438,250	86	888,594	25
Advances to other controlled coal companies	311,269	07	331,669	07	20,400	00
	13,725,423	61	12,237,613	86		
Advances to East Jersey Water Co.	1,466,287	78				1,466,287 78
Stocks of other companies	\$1,288,104	00	\$843,104	00		445,000 00
Bonds of other companies	86,144	58	86,144	58		
Advances to other companies	700,493	54	206,384	67		494,108 87
	2,074,742	12	1,135,633	25		
Car trust certificates Lehigh Valley Terminal Railway			645,114	81	645,114	81
Philadelphia and Reading Railroad Co., lessees	1,295,716	82	3,258,723	18	1,963,006	36
	\$90,487,379	89	\$91,237,235	27	\$749,855	38

X A. RAILROAD COMPANY.

NOVEMBER 30TH, 1893 AND 1894.

LIABILITIES.	1893.	1894.	INCREASE.	DECREASE.
Capital stock	\$40,441,310 00	\$40,441,100 00		\$210 00
Unpaid debt	33,931,000 00	33,929,000 00		2,000 00
Bills payable	3,870,000 00	3,200,000 00		670,000 00
Outstanding bonds drawn and unpaid	2,000 00	4,000 00	\$2,000 00	
Dividends, &c., unpaid	23,613 93	5,843 22		17,770 71
Bond interest due and unpaid	33,775 00	44,422 50	10,647 50	
Bond interest due December 1st proximo	888,180 00	888,120 00		60 00
Mortgages on real estate	304,500 00	320,533 67	16,033 67	
Lehigh Valley Terminal Railway Co.	2,319,758 65	1,695,416 37		624,342 28
Audited vouchers and paymaster's checks outstanding	292,089 26	717,725 13	425,635 87	
Insurance fund, "Bee Line"	85,000 00	98,000 00	13,000 00	
Unadjusted tax accounts	539,121 39	427,749 26		111,372 13
Unadjusted lease accounts	465,972 50	785,422 43	319,449 93	
Philadelphia and Reading Railroad Co., lessees, construction accounts		949,743 19	949,743 19	
Profit and loss	7,291,059 16	7,730,159 50	439,100 34	
	\$90,487,379 89	\$91,237,235 27	\$749,855 38	

APPENDIX B.

DETAILED STATEMENT OF OPERATING EXPENSES.

For year ended November 30th, 1894.

MAINTENANCE OF WAY AND STRUCTURES:—

Repairs of roadway	\$879,109 39	
Renewal of rails	78,382 77	
Renewal of ties	208,184 84	
Repairs of bridges and culverts . . .	90,469 47	
Repairs of buildings and fixtures . .	229,466 83	
Repairs of docks and wharves . . .	139,985 77	
Other expenses, maintenance of way and structures	77,378 85	
		<hr/> \$1,702,977 92

MAINTENANCE OF EQUIPMENT:—

Repairs and renewal of locomotives .	\$827,719 87	
Repairs and renewal of cars	944,169 75	
Shop machinery and tools	90,292 01	
Other expenses, maintenance of equip- ment	166,145 72	
		<hr/> 2,028,327 35

CONDUCTING TRANSPORTATION:—

Train service and supplies	\$3,393,474 35	
Fuel	1,751,391 29	
Station service and supplies	1,617,583 28	
Damages to persons and property . .	93,420 31	
Terminal shipping expenses	331,197 93	
Outside agencies and advertising . .	187,568 90	
Rents of tracks and terminals	444,690 94	
Rents of buildings and other property	91,302 87	
Other expenses, conducting transpor- tation	961,849 99	
		<hr/> 8,872,479 86

GENERAL EXPENSES:—

Office expenses, salaries, &c., through- out whole railway system	\$316,865 15	
Insurance	25,668 21	
Legal expenses	74,808 72	
Other general expenses	163,694 85	
		<hr/> 581,036 93

COUNTY AND LOCAL TAXES	136,007 19	
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Total operating expenses	<u>\$13,320,829 25</u>
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APPENDIX C.

STATEMENT OF CHARGES TO CAPITAL ACCOUNTS.

For year ended November 30th, 1894.

RAILROAD:—

Second track "Mountain cut-off"	\$224,855 97
Line to Lawrence Breaker	12,404 63
New tracks to Jeddo Breaker No. 4	7,500 93
Siding to Vulcan Colliery	6,528 60
West End Extension	2,886 56
Hazleton and Delano Branch	1,656 90
Bridge over Trout Creek	1,535 96
Mid Valley Branch	350 00
	<hr/>
	\$257,719 55

Less amount transferred to

Real Estate account . . . \$65,483 40

Track sold to Butler Colliery

Company 5,000 00

70,483 40

\$187,236 15

EQUIPMENT:—

2 Locomotives bought of W. S. Webb	\$81,057 86
6 " " D. S. & S. R.	
1 " " R. Co.	
1 " built at Hazleton Shops,	
2 Dining cars	26,902 55
On account of 4 new express cars	14,589 29
	<hr/>
	\$122,549 70

Less tug "E. P. Ross" 2,500 00

120,049 70

REAL ESTATE:—

Edgewater lots	\$65,483 40
Pottsville, Pa.	31,436 20
Constable's Hook, N. J.	52,763 00
Jersey City, N. J.	36,505 44
South Bethlehem, Pa.	18,500 00
Luzerne County, Pa.	269 58
Hazleton, Pa.	146 46
Lehigh County, Pa.	104 75
Hazleton Collieries	440,000 00
	<hr/>
	\$645,208 83

Less Hazleton town lots sold 15,130 00

630,078 83

\$937,364 68

APPENDIX D.

ADVANCES TO ALLIED COMPANIES FOR CHARGES TO CAPITAL
ACCOUNTS.*During year ended November 30th, 1894.*

LEHIGH VALLEY COAL COMPANY:—

Cash advances \$888,594 25

LEHIGH VALLEY RAIL WAY COMPANY OF NEW YORK:—

Grading, &c.	\$54,745 08
New tracks, sidings, and connections	62,667 09
Cheektowaga coal storage plant	22,849 41
Engine house, water tanks, and coal sheds,	16,387 78
New stations and offices	5,757 34
Bridges and highway crossings	4,428 09
Legal and engineering expenses	3,655 22
Right of way and sundries	1,005 06

171,495 07

LEHIGH VALLEY TERMINAL RAILWAY COMPANY:—

Grading, &c.	\$47,024 32
New tracks and sidings	90,833 68
Filling trestles	10,228 13
Hay house, express warehouse and plat- forms	13,169 88
Signal towers	3,844 59
Bridges	7,618 85
Real estate, &c.	89,358 22
Legal and engineering expenses	12,188 46
Vacating streets, Newark, N. J.	65,566 29
National Docks Railway stock	294,509 86

\$634,342 28

Less organization deposits returned by

Treasurer, State of New Jersey 10,000 00

624,342 28

EASTON AND AMBOY RAILROAD COMPANY:—

Tugs and barges	\$25,158 92
Engineering expenses	86 48
Real estate account	400 00

25,645 40

LOYALSOCK RAILROAD COMPANY:—

Construction material	\$31,894 18
Yard and "Y" at Ricketts	753 17
New stations	394 21
Sundries	12 25

33,053 81

ROCHESTER AND HONEOYE VALLEY RAILROAD COMPANY:—

Extension to Honeoye Falls and right of way	\$8,551 19	
Grading—main line	3,002 12	
Coal pocket, freight lift, &c., Rochester	2,964 76	
Engineering expenses	275 00	
		<u>\$14,793 07</u>

SCHUYLKILL AND LEHIGH VALLEY RAILROAD COMPANY:—

Cash advances, account construction	\$8,212 61	
Less land sold	2,222 73	
		<u>5,989 88</u>

BAY CREEK RAILWAY COMPANY:—

Cash advances, account construction	\$4,737 57	
Right of way	9,774 05	
Engineering expenses, &c.	295 81	
		<u>14,807 43</u>

JERSEY CITY BELT LINE:—

Construction account	\$19,839 82	
Engineering expenses	1,526 41	
		<u>\$21,366 23</u>
Less deposit with Treasurer of State of New Jersey, returned	1,176 00	
		<u>20,190 23</u>

PERTH AMBOY AND RARITAN RAILWAY COMPANY:—

Construction account	\$4,153 12	
Right of way	1,575 00	
Engineering expenses, &c.	172 87	
		<u>5,900 99</u>
SUNDRY COMPANIES		<u>46,508 89</u>

\$1,851,321 30

LESS—

Accounts transferred to Philadelphia and Reading Railroad Company, lessees	\$263,964 81	
Stock received from Buffalo, Thousand Islands and Portland Railroad Company,	250,000 00	
		<u>513,964 81</u>
Total		<u><u>\$1,337,356 49</u></u>

APPENDIX E.

CLASSIFICATION OF MISCELLANEOUS FREIGHT TONNAGE.

	1894.	1893.	DIFFERENCES.
	Net Tons.	Net Tons.	
Grain	587,468	543,830	Inc. 43,638
Flour	299,240	287,950	" 11,290
Other mill products	96,896	59,473	" 37,423
Hay and straw	217,567	175,955	" 41,612
Fruits and vegetables	91,994	88,923	" 3,071
Other agricultural products	40,752	31,855	" 8,897
Live stock	92,087	106,150	Dec. 14,063
Dressed meats	120,261	60,121	Inc. 60,140
Hides and leather	21,681	16,428	" 5,253
Other products of animals	17,933	8,665	" 9,268
Ores	177,834	322,043	Dec. 144,209
Stone	103,314	146,823	" 43,509
Sand, clay, &c.	79,338	83,867	" 4,529
Roofing slate	45,358	28,296	Inc. 17,062
Lumber	519,184	466,839	" 52,345
Bark	28,587	36,665	Dec. 8,078
Petroleum and other oils	55,230	85,350	" 30,120
Pig iron	126,475	177,976	" 51,501
Steel rails	44,028	52,648	" 8,620
Bar and sheet metal	100,130	106,188	" 6,058
Cement, brick, and lime	239,894	195,331	Inc. 44,563
Wines, liquors, and beer	21,271	18,982	" 2,289
Milk	14,922	8,681	" 6,241
Other miscellaneous	1,549,441	1,842,743	Dec. 293,302
Total	4,690,885	4,951,782	Dec. 260,897
Company material	141,627	108,274	Inc. 33,353

APPENDIX F.

STATEMENT SHOWING DISTRIBUTION OF ANTHRACITE COAL, IN TONS OF 2240 POUNDS, TRANSPORTED
OVER THE LEHIGH VALLEY RAILROAD FOR THE YEAR ENDING NOVEMBER 30TH, 1894.

POINTS OF DELIVERY.	1894.	1893.	PERCENT- AGE OF TOTAL.	INCREASE AND DECREASE.	PERCENTAGE OF INCREASE AND DECREASE.
Local points	1,316,311.15	1,392,995.06	13.278	76,683.11 Dec.	5.505 Dec.
North Fair Haven	63,516.06	70,388.14	.641	6,872.08 "	9.763 "
Ithaca Docks	104,407.06	133,173.11	1.053	28,766.05 "	21.601 "
Buffalo Bridges, &c.	865,463.16	846,326.18	8.730	19,136.18 Inc.	2.261 Inc.
Morris Canal	290,713.08	229,509.11	2.933	61,203.17 "	26.667 "
Tide points	2,035,578.14	2,393,136.17	20.533	357,558.03 Dec.	14.941 Dec.
New York Central and Hudson River Railroad	211,757.13	255,953.04	2.136	44,195.11 "	17.267 "
Rome, Watertown and Ogdensburg Railroad	46,203.02	45,679.04	.466	523.18 Inc.	1.147 Inc.
Western New York and Pennsylvania Railroad	3,011.08	. . . . .	.030	3,011.08 "	. . . . .
Buffalo, Rochester and Pittsburgh Railroad	42,529.01	53,462.13	.429	10,933.12 Dec.	20.451 Dec.
Elmira, Cortland and Northern Railroad	37,551.17	24,015.04	.379	13,536.13 Inc.	56.307 Inc.
New York, Lake Erie and Western Railroad	114,879.12	177,756.14	1.159	62,877.02 Dec.	35.373 Dec.
Wilkes-Barre and Eastern Railroad	234,572.11	. . . . .	2.366	234,572.11 Inc.	. . . . .
Central Railroad of New Jersey	72,384.09	113,254.15	.730	40,870.06 Dec.	36.087 Dec.
Philadelphia and Reading Railroad	473,871.16	626,629.13	4.780	152,757.17 "	24.378 "
Pennsylvania Railroad	985,793.05	1,035,175.01	9.944	49,381.16 "	4.770 "
Lehigh and Hudson River Railroad	24,054.05	128,480.07	.243	104,426.02 "	81.278 "
Delaware, Lackawanna and Western Railroad	28,043.03	56,998.02	.283	28,954.19 "	50.800 "
New York, New Haven and Hartford Railroad	106,128.19	971.00	1.071	105,157.19 Inc.	. . . . .
Trackage	2,072,670.17	1,893,934.03	20.907	178,736.14 "	9.437 Inc.
Supply	784,090.05	770,043.16	7.909	14,046.09 "	1.824 "
Total	9,913,533.08	10,247,884.13	100.000	334,351.05 Dec.	3.263 Dec.
Total in tons of 2000 pounds	11,103,157.08	11,477,630.16	100.000	374,473.08 Dec.	3.263 Dec.

APPENDIX G. LEHIGH VALLEY COAL COMPANY.

DR. CONDENSED GENERAL BALANCE SHEET, NOVEMBER 30TH, 1893 AND 1894. CR.

	1893.	1894.	INCREASE.	DECREASE.		1893.	1894.	INCREASE.	DECREASE.
Coal properties	\$5,085,111 59	\$5,078,679 26	. . . . .	\$6,432 33	Capital stock	\$650,000 00	\$650,000 00	. . . . .	. . . . .
Colliery improvements	4,314,548 38	4,567,953 93	\$253,405 55	. . . . .	First mortgage 5 per cent. gold loan	11,636,000 00	12,000,000 00	\$364,000 00	. . . . .
Advanced royalties	2,813,397 78	3,077,665 53	264,267 75	. . . . .	Snow Shoe 5 per cent. loan	500,000 00	500,000 00	. . . . .	. . . . .
West Superior coal storage . . . . .	. . . . .	167,645 85	167,645 85	. . . . .	Sinking Fund, first mortgage bonds	70,154 74	135,558 91	65,404 17	. . . . .
Cash	597,835 20	658,137 88	159,302 68	. . . . .	Notes and mortgages payable	171,779 99	255,113 33	83,333 34	. . . . .
Notes and mortgages receivable	331,266 98	622,359 45	291,092 47	. . . . .	Due Lehigh Valley Railroad Com- pany	1,548,256 78	2,435,705 76	887,448 98	. . . . .
Interest in allied coal companies	869,068 00	693,568 00	. . . . .	175,500 00	Sundry creditors, including amount due operators for November coal .	1,157,915 14	933,570 35	. . . . .	\$224,344 79
Royalties due by lessees	38,971 40	48,227 00	9,255 60	. . . . .	Profit and loss	2,724,131 98	2,786,466 05	62,274 07	. . . . .
Due for coal sold	2,092,405 52	2,148,648 77	56,243 25	. . . . .				
Sundry debtor accounts	225,546 92	277,635 44	52,088 52	. . . . .				
Coal on hand as per inventory	2,180,086 86	2,355,833 29	175,746 43	. . . . .				
	\$18,458,238 64	\$19,606,354 40	\$1,238,115 77	. . . . .		\$18,458,238 63	\$19,606,354 40	\$1,238,115 77	. . . . .

1895.

FORTY-FIRST ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF THE

Lehigh Valley Railroad Company

TO THE

STOCKHOLDERS.

JANUARY 14th, 1896.

PROPERTY OF
HARVEY FISK & SONS,
STATISTICAL DEPARTMENT.
NOT TO BE LOANED OR TAKEN FROM OFFICE.
PHILADELPHIA:

ALLEN, LANE & SCOTT'S PRINTING HOUSE,
Nos. 1211-13 Clover St. and 229-31 S. Fifth St.

1896.

Sun

April 4, 1895.

The Lehigh Valley's Foreign Loan.

PHILADELPHIA, April 3.—The report that the Lehigh Valley Railroad has concluded negotiations for the placing of a \$3,000,000 loan in London for one year is confirmed here. An official of the company in speaking about the matter said there was no special significance to be attached to the loan; that the company had been able to make more satisfactory arrangements abroad than here, and that the temporary loans of the company in this country would be taken up and simply transferred abroad. The floating indebtedness of the company, he said, had not been increased.

LEHIGH VALLEY RAILROAD COMPANY.

PRESIDENT,
ELISHA P. WILBUR.

VICE-PRESIDENT,
CHARLES HARTSHORNE.

SECOND VICE-PRESIDENT,
ROBERT H. SAYRE.

THIRD VICE-PRESIDENT,
JOHN B. GARRETT.

GENERAL SOLICITOR AND ASSISTANT TO PRESIDENT,
HENRY S. DRINKER.

TREASURER,
WM. C. ALDERSON.

SECRETARY,
JOHN R. FANSHAW.

ASSISTANT SECRETARY,
DAVID G. BAIRD.

COMPTROLLER,
ISAAC McQUILKIN.

DIRECTORS:

CHARLES HARTSHORNE,	CHARLES O. SKEER,
WILLIAM L. CONYNGHAM,	BEAUVEAU BORIE,
WILLIAM A. INGHAM,	JOSEPH WHARTON,
ROBERT H. SAYRE,	THOMAS MCKEAN,
JAMES I. BLAKSLEE,	GEORGE H. MYERS,
JOHN B. GARRETT,	EUGENE DELANO.

OPERATING DEPARTMENT.

**GENERAL SUPERINTENDENT,
ROLLIN H. WILBUR.**

**MANAGER OF LEHIGH VALLEY TRANSPORTATION COMPANY,
WILLIAM P. HENRY.**

TRAFFIC DEPARTMENT.

**GENERAL TRAFFIC MANAGER,
HENRY H. KINGSTON.**

**GENERAL FREIGHT AGENT,
JOHN H. HECKMAN.**

**GENERAL PASSENGER AGENT,
CHARLES S. LEE.**

OFFICERS
OF THE
LEHIGH VALLEY COAL COMPANY.

— — — ⊕ — — —
PRESIDENT,
ELISHA P. WILBUR.

VICE-PRESIDENT,
CHARLES HARTSHORNE.

SECOND VICE-PRESIDENT,
WILLIAM H. SAYRE.

TREASURER,
JOHN B. GARRETT.

GENERAL LAND AGENT,
ISRAEL W. MORRIS.

SECRETARY,
JOHN R. FANSHAW.

GENERAL SUPERINTENDENT,
W. A. LATHROP.

ANNUAL REPORT

OF THE

LEHIGH VALLEY RAILROAD COMPANY

FOR THE FISCAL YEAR ENDED NOVEMBER 30th, 1895.

— — — — — ⊕ — — — — —

JANUARY 14th, 1896.

The results of the operations of the different railways comprising the Lehigh Valley Railroad System for the past year are as shown below.

The total tonnage for the fiscal year ended November 30th, 1895, as compared with the previous year, was as follows:—

TOTAL TONNAGE OVER ROAD, IN TONS OF 2000 POUNDS.

	1895.	1894.	DIFFERENCES.
Anthracite coal	12,045,368	11,103,157	Inc. 942,211
Bituminous coal and coke	456,194	327,507	" 128,687
Miscellaneous freights . .	5,857,425	4,690,885	" 1,166,740
Total	18,359,187	16,121,549	Inc. 2,237,638

TONS CARRIED ONE MILE.

	1895.	1894.	DIFFERENCES.
Anthracite coal	1,293,672,112	1,130,195,335	Inc. 163,476,777
Bituminous coal and coke	29,973,404	16,862,073	" 13,111,331
Miscellaneous freights . .	1,283,200,794	1,004,772,737	" 278,428,057
Total	2,606,846,310	2,151,830,145	Inc. 455,016,165

(7)

AVERAGE FREIGHT RATES.

	1895.	1894.	DIFFERENCES.
Average rate per ton on coal .	67.76 cts.	73.41 cts.	Dec. 5.65 cts.
Average rate per ton per mile on coal . . . . .	.640 cts.	.732 cts.	" .092 cts.
Average rate per ton on mis- cellaneous freight	116.92 cts.	127.54 cts.	" 10.62 cts.
Average rate per ton per mile on miscellaneous freight . .	.534 cts.	.595 cts.	" .061 cts.
Average rate per ton on total tonnage	83.45 cts.	89.16 cts.	" 5.71 cts.
Average rate per ton per mile on total tonnage . . . . .	.588 cts.	.668 cts.	" .080 cts.

PASSENGER TRAFFIC.

	1895.	1894.	DIFFERENCES.
Number of passengers carried .	4,748,037	4,812,652	Dec. 64,615
Number of passengers carried one mile	118,282,636	102,579,780	Inc. 15,702,856

PASSENGER AVERAGES.

	1895.	1894.	DIFFERENCES.
Average mileage per passenger,	24.91 miles	21.32 miles	Inc. 3.59 miles
Average receipts per passenger,	48.79 cents	43.73 cents	" 5.06 cents
Average rate per mile	1.958 cents	2.052 cents	Dec. .094 cents

The transportation earnings of the past year, compared with those of 1894, were as follows:—

	1895.	1894.	INCREASES.
From coal	\$8,470,859 32	\$8,391,541 81	\$79,317 51
" miscellaneous fgt. .	6,849,062 24	5,982,857 70	866,204 54
" passengers	2,316,540 33	2,104,677 12	211,863 21
" express and mail . .	281,795 71	262,590 95	19,204 76
" other items	646,196 56	588,926 19	57,270 37
Total	\$18,564,454 16	\$17,330,593 77	\$1,233,860 39

31,60

TRANSPORTATION EARNINGS as stated .	\$18,564,454 16
From which deduct proportion due Receiver of Southern Central Railroad, being surplus earnings over expenses, as per agreement	5,708 94
	<u>\$18,558,745 22</u>

Add net receipts from other transportation lines operated conjointly with Lehigh Valley Railroad :—

New York Lighterage and Transportation Company	\$69,695 33
Buffalo Creek Railroad	58,690 17
	<u>128,385 50</u>
	<u>\$18,687,130 72</u>
OPERATING EXPENSES	14,028,452 86

Net earnings	\$4,658,677 86
Deduct loss on Lehigh Valley Transportation Company :—	
Operation	\$52,784 27
Steamship depreciation	39,785 00
	<u>92,569 27</u>
	<u>\$4,566,108 59</u>

Add income from other sources :—

Interest on bonds	\$595,714 17
Dividends on stocks	194,755 30
Interest on mortgages	49,286 01
Mine leave	19,001 69
Miscellaneous	3,772 07
	<u>862,529 24</u>

	<u>\$5,428,637 83</u>
Less balance of interest account, loss on Morris Canal, and State taxes	491,415 62

Net available income	\$4,937,222 21
From which deduct interest on funded debt and fixed rental of leased lines	4,294,380 00
	<u>\$642,842 21</u>
Surplus	<u>\$642,842 21</u>

The details of above items of operating expenses are supplied in a table appended to this report.

The balance to credit of Profit and Loss Account, November 30th, 1894, was	\$7,730,159 50
To which add :—	
Surplus earnings for 1895, as stated	642,842 21
Adjustment of tax accounts of previous years	43,546 80
Adjustment of interest accounts of previous years less old accounts written off	46,291 92
	<hr/>
	\$8,462,840 43
From which deduct :—	
Discount on bonds sold less premiums received	\$193,502 50
Interest on Lehigh Valley Coal Company bonds assumed by this Company	596,625 00
	<hr/>
	790,127 50
Leaving a balance to credit of Profit and Loss, November 30th, 1895	<hr/> <u>\$7,672,712 93</u>

The capital account of the Company at the close of the fiscal year stood as follows :—

Common stock	\$40,334,800	
Preferred stock	106,300	
	<hr/>	\$40,441,100
First mortgage six per cent. bonds, due in 1898 (coupon and registered)	\$5,000,000	
Second mortgage seven per cent. bonds, due in 1910 (registered)	6,000,000	
Consolidated mortgage bonds, due (excepting sterling and annuity bonds) in 1923 :—		
Six per cent. bonds :—		
Sterling	\$923,000	
Coupons	1,319,000	
Registered	4,319,000	
Annuity	9,312,000	
	<hr/>	15,873,000
Four and one-half per cent. bonds :—		
Coupons	\$1,669,000	
Registered	3,093,000	
Annuity	2,538,000	
	<hr/>	\$7,300,000
		<hr/>
		34,173,000
		<hr/>
		<u>\$74,614,100</u>

II

Eighty-six of the sterling bonds were purchased during the year and canceled, and three hundred and thirty-nine (including twenty-six of the above named) were drawn payable December 1st, 1895, leaving \$610,000 bearing interest from that date.

The guarantees by this Company of the outstanding bonds and stocks of affiliated companies are as shown below:—

Pennsylvania and New York Canal and Railroad Company :—

First mortgage seven per cent. bonds, due 1896	\$1,500,000
First mortgage seven per cent. bonds, due 1906	1,500,000
Five per cent. bonds, due 1939	4,000,000
Four per cent. bonds, due 1939	3,000,000
	<hr/>
	\$10,000,000

Easton and Amboy Railroad Company, first mortgage five per cent. bonds, due 1920	6,000,000
The Lehigh Valley Rail Way Company, first mortgage four and one-half per cent. gold bonds, due 1940 . . .	15,000,000
Lehigh Valley Terminal Railway Company, first mortgage five per cent. gold bonds, due 1941	10,000,000
The Lehigh Valley Coal Company, first mortgage five per cent. gold bonds, due 1933	10,125,000
The Delano Land Company, five per cent. gold bonds, due 1932	1,196,000

Morris Canal and Banking Company :—

Preferred stock, ten per cent.	\$1,175,000
Consolidated stock, four per cent.	1,025,000
	<hr/>
	2,200,000
Lehigh and New York Railroad Company, first mortgage four per cent. gold bonds, due 1945	2,000,000
Easton and Northern Railroad Company, first mortgage four and one-half per cent. gold bonds, due 1935 . . .	300,000
Middlesex Valley Railroad Company, first mortgage five per cent. gold bonds, due 1942	375,000
	<hr/>
	<u>\$57,196,000</u>

The interest maturing under these guarantees is included in the items of interest in the foregoing statement, except that

of the Delano Land Company, which company pays its own interest.

Of the reserve of \$3,000,000 of the consolidated mortgage bonds of the Pennsylvania and New York Canal and Railroad Company, mentioned in last annual report, \$1,500,000 of bonds, bearing interest at the rate of $4\frac{1}{2}$ per cent., have been sold to take up the same amount of 7 per cent. bonds, maturing June 1st next.

Early in the year the entire floating debt of the Company was, through a negotiation with Messrs. Brown Brothers & Co., transferred to London and consolidated into four series of notes, maturing in April, May, June, and July next. This was accompanied by an option on \$6,000,000 of the 5 per cent. bonds of the Lehigh Valley Coal Company, belonging to the Railroad Company, which option was subsequently exercised and the proceeds of the bonds paid over to us, excepting so much as will be required to take up the notes when due, and the interest on them to their maturity.

The need of more economy in conducting the traffic of the railroads of the country has long been generally recognized. The capacity of each carrier, in tracks, motive power, and car equipment, generally beyond the available freight to be moved, is always so in dull portions of the year and during periods of depression. In the unwholesome struggle for business which results, soliciting agencies are needlessly multiplied, involving much unnecessary expense, while rates are injudiciously reduced below a remunerative level. National or State laws intended to insure stable and uniform rates applicable to all shippers are thus liable to be violated, and injustice to be done to the public. With a view to avoid these evils, to protect shippers from unjust discriminations in rates and railway revenues from improper depletion, this Company has, with thirty others carrying the bulk of the general merchandise between the Atlantic seaboard and the Mississippi River north of the Ohio River and the line of the Chesapeake and Ohio Railway, joined in the organization of the Joint Traffic Association. It is believed the plan of the Association has been wisely conceived and in conformity with law. With

the confidence and cordial support of the community the result must be highly beneficial to the business public as well as to the very large class of investors (many of them of very slender means) who have in good faith invested their capital in the railway systems of our country. The management of the affairs of the Joint Traffic Association is intrusted to a Board of nine representatives of the constituent companies. This responsible service has been devolved, on the part of this Company, on Mr. John B. Garrett, our Third Vice-President.

Although there has been an increase in the tonnage of all classes of freight of 455,016,165 tons carried one mile, there has been a decrease in the average freight rate, as compared with 1894, of .08 cent upon our entire tonnage of 2,606,846,310 ton miles, or more than enough to have produced 5 per cent. upon our entire capital stock.

It will be noticed that an increase of 1,070,898 tons in anthracite and bituminous tonnage shows increased transportation earnings of only \$79,317.51, while an increase in miscellaneous freights of 1,166,740 tons shows increased earnings of \$866,204.54. The miscellaneous tonnage, which shows an increase of about 25 per cent. for the year, would have been much greater but for the lack of cars and power. To provide in part for this largely increasing business contracts have been entered into for the construction of 2000 standard 60,000 pounds capacity box cars, which will be delivered before April 1st next, the necessary funds being provided by a car trust. During the year a contract was made with the Baldwin Locomotive Works for 50 locomotives, of which 30 were delivered during the fiscal year, and the remaining 20 have been delivered since its close. Further additions to our equipment will be required in the coming year.

The general condition of the property of the Company has been restored to our usual high standard.

The Rochester Branch has been extended from Honeoye Falls, through a rich farming country, to Hemlock Lake, a distance of 13.6 miles, and a branch a half mile long constructed to the village of Hemlock. Since the opening of

the line in August the earnings of the stations to the end of the fiscal year were \$13,318.25.

During the year the attention of the Board was directed to the expediency of our Company acquiring control of the Middlesex Valley Railway. This line (about 29 miles in length) extends from Geneva to Naples in New York State through a well-settled region, and cannot fail to be a valuable feeder. Under the terms agreed on December 2d, 1895, we acquired the entire full-paid capital stock of the road, \$500,000 in amount, and \$225,000 of its issue of \$600,000 5 per cent. mortgage bonds, in consideration of the guarantee by the Lehigh Valley Railroad Company of the remaining \$375,000 outstanding bonds. The earnings of the road show this to be a charge we can safely assume in view of the present and prospective advantages resulting from this connection. The line is now operated as a part of our Pennsylvania and New York Division.

The Pennsylvania, Poughkeepsie and Boston Railroad was sold under foreclosure sale, and is now called the Lehigh and New England Railroad. A contract was entered into between this new company and ours by which we continue the operation of a portion of its line as heretofore.

In the last annual report mention was made of the fact that the Southern Central Railroad, extending from a junction with the line of the Pennsylvania and New York Canal and Railroad Company, near Sayre, Pennsylvania, to North Fair Haven, New York, on the shore of Lake Ontario, 117 miles in length, had passed into the hands of a Receiver in July, 1894, upon application of holders of the consolidated mortgage bonds. The Lehigh Valley Railroad Company held about sixty per cent. of these bonds, and the negotiations with other bondholders referred to in the last report, resulted in an agreement under which the road was reorganized, following a foreclosure sale in August last, the basis of the reorganization being the guarantee by the Lehigh Valley Railroad Company of an issue of \$2,000,000 first mortgage four per cent. bonds, the earnings of the road in the past giving reason to believe that the interest on this amount of bonds

could be earned in addition to the expenses of operation and maintenance.

Under the terms of the reorganization plan the Lehigh Valley Railroad Company acquired about sixty per cent. of the preferred stock, being a majority in interest of the entire capital stock of the new corporation; also a lease in perpetuity on the basis of the payment as rental of the net income from operation, after deducting the payment of taxes and interest on bonds, operating expenses, cost of maintenance, improvements, &c., such net income if earned, to be applied to the payment first of non-cumulative dividends on the preferred stock, of which the Lehigh Valley Railroad Company holds, as above stated, about 60 per cent.

The balance sheet shows our unadjusted claim against the Philadelphia and Reading Railroad Company to be over \$1,500,000. The matter has recently been brought to the attention of the court having jurisdiction over the Receivers and has been referred to the Master to take testimony on disputed items, and it is believed that an adjustment of the differences existing between the companies can be reached at an early date.

The tonnage for the past year has been largely in excess of any previous year in the history of the Company.

At Buffalo (Tift Farm) the comparative tonnage statement is as follows:—

	1895.	1894.	INCREASE.
East	413,738 tons.	339,265 tons.	74,473 tons.
West	106,092 "	86,361 "	19,731 "
Total	519,830 tons.	425,626 tons.	94,204 tons.

At Suspension Bridge the tonnage for 1895 increased 108,582 tons over 1894.

The Jersey City Terminal and Perth Amboy accounts are still more interesting. At these points the business for the fiscal year, as compared with 1894, shows an increase in

tonnage of miscellaneous freight (exclusive of coal and coke) of 699,831 tons, as follows:—

Monthly increase in tonnage of miscellaneous freight (exclusive of coal and coke) at and through Jersey City and Perth Amboy, N. J., over the same months in 1894:—

	TONS OF 2000 LBS.
December, 1894	77,351
January 1895	44,930
February "	37,727
March "	46,882
April "	37,332
May "	63,964
June "	7,466
July "	70,899
August "	20,605
September "	57,530
October "	108,672
November "	126,473
Total	<u>699,831</u>

The statement of our coal business at Perth Amboy is as follows:—

RECEIPTS.	1895.—TONS.	1894.—TONS.
Via Lehigh Valley Railroad	2,645,065	2,165,700
Via Philadelphia and Reading Railroad		26,303
Total	<u>2,645,065</u>	<u>2,192,003</u>
SHIPMENT OVER WHARVES.		
Via Lehigh Valley Railroad	2,686,586	2,133,242
Via Philadelphia and Reading Railroad	2,045	29,791
Total	<u>2,688,631</u>	<u>2,163,033</u>
SHIPMENTS FROM CARS AND STOCK.		
Direct from cars	1,690,199	1,312,004
From stock	998,432	851,029
Total	<u>2,688,631</u>	<u>2,163,033</u>

The cost of shipping per ton in 1895 was04028 cents.
 " " " 1894 "04446 "

At the South Plainfield storage ground 423,395.10 tons of coal were received in 1895, as against 314,069.03 in 1894.

The tonnage at Perth Amboy is the largest in the history of those wharves.

The Bee Line Transportation Company transported during the past year 433,428.05 tons. The tonnage in 1894 was 397,817.12 tons.

During the past year we have built a large number of new sidings to various industrial establishments at different points on the line, and have also built several new passing sidings, made necessary by the increased number of trains moved.

At Jersey City Terminal two new float bridges have been constructed, which have materially assisted in the movement of business to and from our New York piers, the New York, New Haven and Hartford Railroad, and other points in New York Harbor.

A trestle has been erected at Phillipsburg, N. J., giving us a connection with the Warren Pipe Foundry.

New coal pockets have been erected at Buffalo and Rochester, N. Y., Morris Avenue, N. J., and East Mauch Chunk, Pa. A new building has been built at Packerton shops, to be used in fitting air brakes to our old freight and coal car equipment. The old bridge shop at Easton has been torn down and the work heretofore done there has been transferred to our shops at South Easton, and to the Morris Canal shops at Phillipsburg.

The iron bridge crossing the Lehigh River, below Mauch Chunk, has been strengthened, we might say almost renewed.

New station buildings have been erected at South Plainfield, Hector, Pleasant Hill, Ricketts, Red Creek, Rochester Junction, and Livonia.

The three trestles on the Bowman's Creek Branch have been filled, and the banks have been widened in various places, and a new three-span iron bridge substituted for the wooden trestle across Bowman's Creek at Noxen. Also a new two-span iron bridge has been erected in place of the trestle at Beaver Run.

New sidings have been constructed to the Westminster and Crescent coal breakers on the Mountain Cut-Off, and extensive changes made in the tracks at Warrior Run, "William A." Exeter, Midvalley, Hazleton No. 1, Jeddo, and Vulcan Collieries.

Important changes have been made at Coxton in our track system, the principal changes being at Austin Junction, the foot of the plane, whereby the use of the plane has been entirely discontinued, and all coal is now pushed up to the head of the west-bound coal yard by locomotives, resulting in a large saving in the cost of drilling and weighing coal. A new coaling trestle for locomotive coal has also been erected at this point, which has resulted in a saving in handling charges of seven cents per ton.

A contract has been let for the construction of a new stone station at Pittston, which should be ready for use in the early Spring. In order to provide better facilities for our business a second story is being built to the freight station at Wilkes-Barre. The station built some years ago at Luzerne Crossing, being no longer needed there, has been moved to Bennett Avenue Station, Luzerne, and the small station building has been moved from Forty Fort to Shavertown.

During the past year negotiations have been completed for the acquirement of sufficient property to extend our terminal facilities in the city of Rochester, and for the construction of a new passenger station at the Court Street Bridge directly in the heart of that city.

An 8-inch pipe, one mile in length, has been laid from the Prospect Reservoir to our Wilkes-Barre shops, taking the place of a 4-inch pipe, which was in very bad order and much too small to give us the necessary supply of water.

A new standard 64-foot turntable, with complete masonry foundations, has been put up at Sayre engine house.

Our engine house at Manchester was damaged by fire to the extent of about \$12,000. The house has been rebuilt, and a new oil house has been provided, removing the danger of fire from that source in the future.

Our bridges, buildings, water tanks, and stand pipes have received extensive repairs, and are now in very good general condition. Connection has been made at Pittsburg and Lehigh Junction, N. Y., with the Genesee and Wyoming Valley Railroad, and the passenger trains of that road are now using our tracks between the point of connection and our station at

Caledonia. Our telegraph line between Falling Springs and Sayre has been provided with new poles and cross arms, and a new line has been erected from Honeoye Falls to Hemlock Lake, N. Y. We now have 946 miles of pole line with 431.4 miles of copper wire, and 2794.3 miles of iron wire in use for our telegraph service, and in addition to this we have 110 miles of wire for telephone service and 171 miles of wire connected with signals.

New interlocking signal plants have been erected at Port Reading Crossing, N. J., east end Musconetcong Tunnel, N. J., South Easton and Lumber Yard, Pa., and Manchester, N. Y. Semaphore train-order signals have been erected at all telegraph stations heretofore unprovided.

The Hall signal system has been extended, covering our east-bound main line between Mahoning and Laury's, and from Glen Summit to White Haven. The great benefit derived in the movement of trains and avoidance of accidents from the use of this device has warranted the officers of the Company in making a contract with the Hall Signal Company for the further use of their signals. The extension of the signal system is now in progress, and by June 1st we expect to have both main tracks between Easton and Coxton thus protected.

The continued drought of the past summer entailed great expense in hauling water for the use of our shops, locomotives, and collieries. We were also obliged to haul water to augment the supply of the city of Hazleton for a period of many weeks. For several weeks we hauled upwards of 800,000 gallons every 24 hours, using 10 locomotives for this service exclusively. We also found it necessary to erect pumps at Black Creek Junction, Weatherly, and other points, but notwithstanding this several of the collieries tributary to our road were unable to work, and it was necessary to largely restrict the use of water for domestic and manufacturing purposes in Hazleton, and to make arrangements to flush the sewers with mine water. We also suffered from lack of sufficient water supply for our locomotives on our Mountain Cut-Off, making it necessary to reduce the

number of cars in all east-bound trains, thereby causing great increase in transportation charges, as well as delay in the movement of freight and coal over the Wilkes-Barre Mountain. Active measures have been taken to overcome this difficulty.

Although our whole through line is now double tracked, early consideration of some comprehensive plan to provide additional track facilities is desirable. It seems certain that we would save the interest on their cost many times over in the movement of the same amount of tonnage as was carried during the past twelve months.

The great volume of tonnage moved over the Lehigh Division between Mauch Chunk and Easton emphasizes the absolute necessity not only for additional siding room, but for additional main tracks between those points.

Work has been started at Coplay on the new track from Coplay to Whitehall, which will greatly relieve the congested situation at that point.

Our passing siding at Redington is being extended and a new siding is being built at Island Park. In addition to this work it will be necessary to enlarge the scope of our freight yard at Mahoning for east-bound business, and to provide a yard at Packerton for shifting and making up west-bound freight trains. Plans for these improvements are now being prepared.

Our Jersey City Yard has nearly reached the limit of its capacity. The early development of our property at Constable's Hook is therefore a necessity. The Jersey City Yard should be used for New York, Jersey City, and export business, removing the Long Island and New England traffic to Constable's Hook.

In May, the steamship "Cayuga," of the Lehigh Valley Transportation Company, was in collision with another steamer in Lake Michigan, and was so badly damaged that she went down in about 110 feet of water. The loss was fully covered by insurance. The other steamships on the Lakes are in first-class condition. The sale of our wooden boats is advisable, if they can be sold at a fair price, and additional steel

steamers, similar to, but somewhat larger than those now in service, should ultimately be constructed.

In order to open up a considerable portion of Northampton County to our coal and miscellaneous traffic and to give access to the slate trade tributary to our Easton and Northern Railroad, a connection is being constructed between that road and our main line at South Easton. This connection will be about 4 miles in length, passing through the western part of the city of Easton, and will include an iron bridge about 1000 feet long across the Lehigh River. The Board has authorized the guarantee of \$300,000 of 4½ per cent. bonds of that Company for this purpose.

The work of construction has been begun on a line about 10 miles in length, leaving our main line at Depew, 9 miles east of Buffalo, and connecting with the New York Central Railroad near Tonawanda, the object being to expedite the movement of our traffic to and from Suspension Bridge and reduce the cost of its transportation.

We have equipped all of our cars with the necessary hand holds and grab irons, and are raising draw bars to standard height in order to comply with the Act of Congress. This work will be completed by February 15th, 1896. Our locomotives are being equipped with driver and train brakes gradually. They will all be so equipped by January 1st, 1898, the date fixed by law.

We have built or purchased the following equipment during the past year:—

Locomotives	30
Flat cars	23
Express cars	6
Caboose cars	38
Gondola cars	21
Coal cars	364
Gravel cars	11
Fruit cars	1
Special cars	1
House cars	8
Stock cars	11
Workmen's cars	6

The equipment belonging to the various companies composing the Lehigh Valley system on November 30th, 1895, was as follows :—

Locomotives	685
Chair cars	12
Passenger cars	222
Combination cars	55
Dining cars	2
Baggage and mail cars	30
Express cars	36
Special cars	5
Fruit cars	11
Freight cars	16,369
Coal cars, eight-wheeled	11,082
Coal cars, four-wheeled	20,844
Cars used in transportation and roadway departments	798

The total capacity in tons of 2000 pounds of our freight and coal car equipment is 831,282 tons.

The length of lines embraced in the Lehigh Valley system, including second track, branches, &c., was as follows, November 30th, 1895 :—

DIVISION.	MAIN LINE.		BRANCHES AND SIDINGS. MILES.	TOTAL MILES.
	SINGLE TRACK. MILES.	SECOND TRACK. MILES.		
Easton and Amboy R. R., including all Lines east of Phillipsburg . .	107.600	84.445	152.734	344.779
Lehigh Division	58.373	47.577	123.544	229.494
Wyoming Division	191.125	73.141	131.202	395.468
Beaver Meadow Division	19.673	9.556	20.256	49.485
Hazleton Division	51.788	12.895	51.953	116.636
Mahanoy Division	95.164	40.736	56.725	192.625
Pottsville Division	40.514	. . . .	12.337	52.851
Penna. and New York Division . .	264.476	173.490	125.553	563.519
Buffalo Division	119.344	88.501	95.806	303.651
Auburn Division	161.473	. . . .	36.463	197.936
Lehigh and New England R. R. . .	27.379	. . . .	6.591	33.970
Easton and Northern R. R.	8.137	. . . .	1.938	10.075
Total	1,145.046	530.341	815.102	2,490.489

LEHIGH VALLEY COAL COMPANY.

The following table is summarized from the report of W. A. Lathrop, General Superintendent of the Lehigh Valley Coal Company, and shows the tonnage of that Company's collieries for the past year compared with the two preceding years.

	1895.	1894.	1893.
	Tons.	Tons.	Tons.
Amount of coal shipped from collieries owned and operated by this Company	2,619,960	2,061,115	1,748,545
Amount of coal shipped by tenants of this Company	2,864,090	2,822,135	3,157,932
Total	5,484,050	4,883,250	4,906,477
From Wyoming region	2,693,040	1,917,223	1,705,738
“ Lehigh “	653,233	1,185,896	1,207,503
“ Pottsville “	142,796	152,441	178,256
“ Mahanoy “	1,994,981	1,627,690	1,814,980
Total	5,484,050	4,883,250	4,906,477

Showing an increase for the year 1895 of 600,800 tons.

For the purpose of comparison with 1894 there should be added the tonnage of G. B. Markle & Co., omitted from the foregoing statement. This for the year 1894 was

457,213 “

Making an actual increase for the year 1895 of

1,058,013 “

The average breaker time of all the collieries operated by the Lehigh Valley Coal Company was a little over 159 days, an increase of about 18 days as compared with 1894.

The capacity of the collieries operated by the Coal Company has increased from 13,832 tons in 1894 to an estimated capacity of 17,000 tons per day of ten hours, and the gross capacity of all the collieries tributary to the Lehigh Valley system

is estimated by Mr. Lathrop as about 47,000 tons per day of ten hours.

The anthracite coal sold by the Coal Company, produced
 from mines owned or controlled by it was 2,717,005 tons.
 Purchased from individual operators 3,217,912 "

Total 5,934,917 tons.

An increase over 1894 of 787,377 "

Distributed as follows :—

	1895.	1894.	INCREASE.
	Tons.	Tons.	Tons.
Tide water at New York . .	2,268,346	1,876,713	391,633
Philadelphia	806,265	749,925	56,340
Buffalo	677,988	517,623	160,365
Chicago	781,416	512,570	268,846
			DECREASE.
Local	1,400,902	1,490,709	89,807
Total	5,934,917	5,147,540	787,377

This does not include Jeddo and Highland coal (sold for account of G. B. Markle & Co. and bituminous coal amounting to 538,175 tons.

Making total coal sold 6,473,092 tons.

The hopes of an improved condition in the anthracite coal trade have not yet been realized ; on the contrary, the average rate received for transportation of coal was 5.65 cents per ton less than in the previous year, 1894, and the Coal Company realized a loss upon the coal mined by it and that purchased from individual operators of 13.48 cents per ton. The cost of production was somewhat less than for 1894, notwithstanding a charge of about 6 cents per ton on the entire tonnage for permanent improvements and a heavy loss by fire at Wyoming mines.

In a circular issued by the Board, dated December 10th, 1895, the following statement appeared : " This Company has

shared in the improvement of the transportation interest which the country generally has witnessed during the past year, and a satisfactory return upon the investment of our stockholders cannot fail to follow such adjustment of the anthracite producing and transporting interests as will secure a fair price for coal. The officers of this Company have made repeated efforts to secure this result, and in every way have endeavored to hasten its return to the payment of dividends." Without entering into an argument in favor of our claims regarding the production or transportation of anthracite coal, which must necessarily be *ex parte*, and therefore subject to criticism, the following is submitted :—

At a meeting of the representatives of the anthracite transporting interests, held in New York, March 28th, 1895, Mr. Wilbur offered the following resolution :—

"That the percentages of shipments of 1894, as shown by the statistician's statements, be adopted as the basis of distribution among the transporting companies, with such modification as may be found necessary to bring all the collieries of the anthracite regions into harmonious and equitable relations, considering changes in the *status* of collieries, the equalization of time worked by them, abandonment of collieries, new collieries, readjustment of chargeable tonnage, and any other claims which may be presented by any or all interests concerned, which modifications shall be made by a commission, which shall declare its amended schedule of distribution within thirty days from this date, which, when adopted, shall be effective for one year from April 1st, 1895."

This was not unanimously agreed to and therefore failed of adoption, and the meeting adjourned subject to call. Pursuant to that a meeting was held April 5th, 1895. No result having been reached, Mr. Thomson moved and Mr. Wilbur seconded the following resolution :—

"That a Committee of five Presidents be selected, to submit to an adjourned meeting the names of three arbitrators, and the procedure of the arbitration and the subject matters to be submitted to them."

Mr. Harris stated that he would vote for the resolution with the understanding that the position of the Philadelphia and

Reading having already been defined by the paper read,* he would nevertheless recommend the Receivers to consider the question brought up by Mr. Thomson's resolution, and that if they should decline to proceed under the resolution, he would notify the Chairman of the Committee.

The meeting appointed as a Committee Messrs. Olyphant, Harris, Wilbur, Sloan, and Roberts, and adjourned subject to the call of the Chairman of that Committee.

On April 10th the following letter was received:—

“ NEW YORK, April 10th, 1895.

“ *E. P. Wilbur, Esq., President.*

“ DEAR SIR:—I send you copy of a letter received from President Harris to-day. It speaks for itself. I have written to him: ‘As this is a declination on your part to proceed under the resolution appointing the Committee, it only remains for me to notify the members thereof that it is so dissolved.’

“ Yours truly,

“ (Signed) R. M. OLYPHANT,
“ *Chairman.*”

No further negotiations were had.

Our operations were considerably crippled during the past three or four months by reason of scarcity of water, due to the unusual drought prevailing in this part of the country, a number of collieries being idle altogether for want of water for steam and washing purposes, and others able to work only a short time.

The collieries of the Lehigh Valley Coal Company have been kept fully up to their usual high standard, and with the extensive improvements at Hazleton and Primrose Collieries a considerable increase in the production may be had if the market should demand the coal. These improvements have been made in the best manner.

No revenue was received during 1895 by the Railroad Company from the Hazleton Collieries, which, as stated in last year's report, had been transferred to the Coal Company. A severe

“* Stating the position of the Reading Company in reference to arbitration.”

and dangerous fire occurred in the slope at Breaker No. 1 on the morning of January 28th, and for a time threatened to involve the breaker; it was finally extinguished about the middle of August. The breaker and outside plant of this mine have been practically rebuilt and fitted throughout with modern machinery and boilers. It is estimated that a saving of about \$7000 per year in wages and of 50 per cent. in fuel consumption will be effected by these changes, together with a large increase in the capacity of the colliery. A new breaker of large capacity is proposed for the eastern end of the property, abandoning Breakers 2, 3, and 5, which with their antiquated machinery cannot be so altered as to bring them up to a proper efficiency. This and the extensive improvements at Primrose Colliery will result in such economies in preparation and increased yield of the mine cars that we can confidently predict a return of the entire cost of making these changes within a few years of their completion. In confirmation of this we find at Maltby Colliery that we have been able since the breaker was remodeled to get a yield of 1.86 tons from a mine car which before gave us but 1.48 tons, an increase of .38 tons. Our hoisting there this year was 106,260 mine cars, which, at the rate above mentioned, yielded us about 40,380 tons more than would have been possible had we continued the use of the old breaker.

This increased tonnage was obtained without any increase in our labor cost, since this same quantity of material would be handled in either case; it is simply a saving of what would otherwise go to waste, and represents practically a net increase in our receipts at this colliery of at least \$1.20 per ton upon the coal thus saved, or \$48,456, to say nothing of the lessened cost of handling, due to better facilities, and the increase in the total tonnage which will be derived from the property.

We have had like experience at other places, notably at Franklin, Spring Brook, and Exeter, and there is every reason for believing we can accomplish similar results at Hazleton and Jeanesville.

The improvement of the property secured in South Chicago, referred to in the report for 1894, has not been begun,

but the plans and specifications therefor have been approved and the work will be proceeded with at once, with a view to its completion by June 1st next.

Mr. John R. Fell, a Director of this Company since October 17th, 1882, died on November 15th last. Mr. Fell was gifted with excellent business qualifications that were always at the command of the Company. He was in the prime of life, and his early death is much regretted. His distinguished father, Mr. J. Gillingham Fell, was a former President, and was for many years a Director of our Company, and rendered at all times very valuable services.

We have also to record the death of one of our oldest and most valued officers. Mr. John Taylor, our General Traffic Manager, died after a prolonged illness on November 2d last. Mr. Taylor had been actively engaged with the Company in various capacities during its whole history. At all times he was faithful to his duties, and his marked ability and sterling integrity were always recognized. His accurate knowledge of the Company's business, acquired by a lifelong experience in the Traffic Department, makes his loss doubly great.

Mr. Eugene Delano was elected a Director to fill the vacancy caused by the death of Mr. John R. Fell.

Mr. Henry H. Kingston, the Assistant General Traffic Manager, was appointed General Traffic Manager succeeding Mr. Taylor.

No other changes have taken place, either among the Directors or general officers.

By order of the Board of Directors,

E. P. WILBUR,
President.

LEHIGH VALLEY

CONDENSED GENERAL BALANCE SHEET

ASSETS.	1895.		1894.		INCREASE.	DECREASE.
Railroad	\$18,304,033	64	\$18,242,096	29	\$61,937	35
Construction work in progress	29,869	59	18,132	68	11,736	91
Equipment	21,404,928	84	21,478,468	52		\$73,539 68
Real estate	3,112,559	00	3,000,221	88	112,337	12
Materials on hand	1,277,818	15	1,400,135	45		122,317 30
	\$44,129,209	22	\$44,139,054	82		
Cash and cash assets	3,874,804	32	2,312,202	74	1,562,601	58
Brown, Shipley & Co., London	2,661,591	57			2,661,591	57
Due by station agents	\$740,313	31	\$506,075	24	234,238	07
Due by individuals and companies	544,244	42	855,406	25		311,161 83
Bills receivable	361,066	69	617,086	53		256,019 84
	1,645,624	42	1,978,568	02		
Mortgages receivable	815,737	84	836,557	07		20,819 23
Stocks of railroad and water lines, included in Lehigh Valley system,	\$17,424,284	66	\$16,042,665	61	1,381,619	05
Bonds of railroad and water lines, included in Lehigh Valley system,	2,927,500	00	3,493,747	00		566,247 00
Advances to railroad and water lines, included in Lehigh Valley system,	4,433,410	99	5,157,354	91		723,943 92
	24,785,195	65	24,693,767	52		
Stocks of allied coal companies	\$1,273,978	82	\$1,163,193	93	110,784	89
Bonds of Lehigh Valley Coal Co.	1,675,000	00	8,103,500	00		6,428,500 00
Bonds of other coal companies	201,000	00	201,000	00		
Advances to Lehigh Valley Coal Co.	3,307,038	28	2,438,250	86	868,787	42
Advances to other controlled coal companies	275,584	44	331,669	07		56,084 63
	6,732,601	54	12,237,613	86		
Stocks of other companies	\$401,114	70	\$843,104	00		441,989 30
Bonds of other companies	89,144	58	86,144	58	3,000	00
Advances to other companies	510,225	77	206,384	67	303,841	10
	1,000,485	05	1,135,633	25		
Car trust certificates Lehigh Valley Terminal Railway	1,000,000	00	645,114	81	354,885	19
Philadelphia and Reading Railroad, lessees	3,066,067	12	3,258,723	18		192,656 06
	\$89,711,316	73	\$91,237,235	27		\$1,525,918 54

DIX A.

RAILROAD COMPANY.

NOVEMBER 30TH, 1894 AND 1895.

LIABILITIES.	1895.	1894.	INCREASE.	DECREASE.
Capital stock	\$40,441,100 00	\$40,441,100 00		
Funded debt	34,173,000 00	33,929,000 00	\$244,000 00	
Bills payable	2,498,253 75	3,200,000 00		\$701,746 25
Sterling bonds drawn and unpaid	4,000 00	4,000 00		
Dividends, &c., unpaid	5,741 38	5,843 22		101 84
Bond interest due and unpaid	26,352 50	44,422 50		18,070 00
Bond interest due December 1st, proximo	895,440 00	888,120 00	7,320 00	
Mortgages on real estate	347,573 67	320,533 67	27,040 00	
Lehigh Valley Terminal Railway Co.	1,459,807 09	1,695,416 37		235,609 28
Pay checks, &c., outstanding	88,954 22	717,725 13		628,770 91
Insurance fund, "Bee Line"	118,000 00	98,000 00	20,000 00	
Unadjusted tax accounts	408,970 87	427,749 26		18,778 39
Unadjusted lease accounts	169,625 53	785,422 43		615,796 90
Philadelphia and Reading Railroad Co., lessees, construction	949,743 19	949,743 19		
Philadelphia and Reading Railroad Co., lessees, equipment	452,041 60		452,041 60	
Profit and loss	7,672,712 93	7,730,159 50		57,446 57
	\$89,711,316 73	\$91,237,235 27		\$1,525,918 54

APPENDIX B.

DETAILED STATEMENT OF OPERATING EXPENSES.

For year ended November 30th, 1895.

MAINTENANCE OF WAY AND STRUCTURES:—

Repairs of roadway	\$971,779	66	
Renewal of rails	60,033	16	
Renewal of ties	266,682	39	
Repairs of bridges and culverts	104,754	62	
Repairs of buildings and fixtures	308,746	29	
Repairs of docks and wharves	94,714	33	
Other expenses, maintenance of way and structures	54,408	01	
			\$1,861,118 46

MAINTENANCE OF EQUIPMENT:—

Repairs and renewal of locomotives	\$1,095,924	52	
Repairs and renewal of cars	1,213,511	91	
Shop machinery and tools	73,882	95	
Other expenses, maintenance of equip- ment	249,761	64	
			2,633,081 02

CONDUCTING TRANSPORTATION:—

Train service and supplies	\$1,741,104	73	
Locomotive service and supplies	1,636,458	96	
Fuel for locomotives	1,665,475	33	
Station service and supplies	1,647,816	89	
Damages to persons and property	78,204	61	
Terminal shipping expenses	385,315	76	
Outside agencies and advertising	228,105	33	
Rents of tracks and terminals	554,203	48	
Rents of buildings and other property	105,521	69	
Other expenses, conducting transpor- tation	741,981	94	
			8,784,188 72

GENERAL EXPENSES:—

Office expenses, salaries, &c., through- out whole railway system	\$322,414	54	
Insurance	20,006	06	
Legal expenses	102,635	17	
Other general expenses	112,943	49	
			557,999 26
COUNTY AND LOCAL TAXES			192,065 40

Total operating expenses \$14,028,452 86

APPENDIX C.

STATEMENT OF CHARGES TO CAPITAL ACCOUNTS.

For year ended November 30th, 1895.

RAILROAD:—

Second track "Mountain cut-off," &c. \$61,937 35

EQUIPMENT:—

Locomotive engines bought
of Baldwin Locomotive

Works \$195,816 25

Paid on account of 6 new ex-
press cars 15,696 07

\$211,512 32Less locomotive engines, pas-
senger cars, freight cars,
&c., sold to Lehigh and

New York Railroad Co. . \$279,052 00

Locomotive engine sold . . 6,000 00

285,052 00Credit

73,539 68

REAL ESTATE:—

Jersey City, N. J. \$80,000 00

Constable's Hook, N. J. . . 24,135 00

Lehigh County, Pa. 16,215 00

Luzerne County, Pa. 30 00

Carbon County, Pa. 896 43

Northampton County, Pa. . . 400 00

Hazleton Colliery improve-
ments 63,860 69

\$185,537 12

Less sold:—

Hazleton town lots \$20,350 00

Property at Pottsville, Pa., 51,100 00

Sundry small properties . . 1,750 00

73,200 00

112,337 12Net charges to Capital Accounts \$100,734 79

APPENDIX D.

ADVANCES TO ALLIED COMPANIES FOR CHARGES TO CAPITAL
ACCOUNTS.*During year ended November 30th, 1896.*

LEHIGH VALLEY COAL COMPANY:—

Cash advances	\$1,909,350 00	
Less credits	49,498 43	
		\$1,859,851 57

LEHIGH VALLEY RAIL WAY COMPANY OF NEW YORK:—

New tracks and sidings	\$13,524 66	
New stations and buildings	6,082 86	
Interlocking signals	6,194 68	
Hoisting machinery, Tift Farm Docks	31,000 00	
Sundries	2,042 78	
Real estate	168 00	
Legal and engineering expenses	12,513 28	
		71,526 26

ROCHESTER SOUTHERN RAILROAD COMPANY:—

New tracks and sidings	\$35,354 99	
New stations and buildings	11,733 47	
Bridges and highway crossings	33,420 25	
Canal feeder bank protection	1,215 78	
Masonry	4,120 00	
Real estate and right of way	22,667 66	
Legal and engineering expenses	12,139 98	
		120,652 13

DEPEW AND TONAWANDA RAILROAD COMPANY:—

New tracks and sidings	\$182,725 89	
New stations and buildings	4,616 90	
Bridges and highway crossings	52,412 15	
Telegraph line	1,762 83	
Grading and masonry	99,140 00	
Undercrossing at Depew	89,036 29	
Real estate and right of way	194,178 10	
Legal and engineering expenses	10,761 61	
		634,633 77

GREENVILLE AND HUDSON RAILWAY COMPANY:—

New tracks and sidings	\$13,413 35	
Bridge masonry and superstructure	123,875 01	
Grading	6,310 00	
Trestling	82,623 29	
Cash advances	42,000 00	
Real estate	92,065 24	
Legal, engineering expenses, &c.	8,806 84	
		369,093 73

EASTON AND NORTHERN RAILROAD COMPANY :—

New tracks and sidings	\$84,552 18	
New stations and buildings	2,471 31	
Bridges and highway crossings	74,009 21	
Grading	13,150 00	
Labor and material	4,135 50	
Real estate and right of way	45,914 50	
Legal and engineering expenses	4,733 43	
Total	\$228,966 13	
LESS CREDIT :—		
Cash on account and bonds sold	51,752 81	\$177,213 32
Sundry companies		12,120 74
		<u>\$3,245,091 52</u>

APPENDIX E.

CLASSIFICATION OF MISCELLANEOUS FREIGHT TONNAGE.

	1896.	1895.	DIFFERENCES.
	Net Tons.	Net Tons.	
Grain	1,471,425	943,060	Inc. 528,365
Flour	360,376	334,801	" 25,575
Other mill products	174,090	143,316	" 30,774
Hay	218,766	210,413	" 8,353
Fruits and vegetables	158,288	122,699	" 35,589
Other agricultural products	68,474	87,474	Dec. 19,000
Live stock	163,495	124,824	Inc. 38,671
Dressed meats	135,121	114,365	" 20,756
Hides and leather	21,172	27,841	Dec. 6,669
Milk	36,423	21,176	Inc. 15,247
Other products of animals	22,289	16,105	" 6,184
Ores	170,195	290,898	Dec. 120,703
Stone, sand, and other like arti- cles	281,746	241,879	Inc. 39,867
Roofing slate	60,602	52,776	" 7,826
Lumber	620,674	632,468	Dec. 11,794
Bark	27,382	39,630	" 12,248
Petroleum and other oils	79,858	56,536	Inc. 23,322
Iron—pig	135,996	144,422	Dec. 8,426
Iron and steel rails	45,181	70,407	" 25,226
Copper and lead pig	36,181	29,038	Inc. 7,143
Bar and sheet metal	123,754	168,533	Dec. 44,779
Cement, brick, and lime	325,991	318,062	Inc. 7,929
Wines, liquors, and beers	28,532	23,225	" 5,307
Sugar and glucose	141,155	112,266	" 28,889
Salt	44,640	62,838	Dec. 18,198
Other miscellaneous	1,568,770	1,468,573	Inc. 100,197
Total	6,520,576	5,857,625	Inc. 662,951
Company material	155,562	148,130	Inc. 7,432

APPENDIX F.

STATEMENT SHOWING DISTRIBUTION OF ANTHRACITE COAL, IN TONS OF 2240 POUNDS, TRANSPORTED
OVER LEHIGH VALLEY RAILROAD FOR THE FISCAL YEAR ENDED NOVEMBER 30TH, 1896.

POINTS OF DELIVERY.		1896.	1895.	DIFFERENCES.
Local points		1,566,400	1,598,623	32,223 Dec.
North Fair Haven		49,713	57,137	7,424 "
Ithaca Docks		75,114	138,652	63,538 "
Buffalo, Bridges, &c.		966,056	819,392	146,664 Inc.
Morris Canal		203,607	256,590	52,983 Dec.
Tide points		1,871,953	1,973,497	101,544 "
New York Central and Hudson River Railroad		165,961	220,812	54,851 "
Rome, Watertown and Ogdensburg Railroad		41,404	43,837	2,433 "
Western New York and Pennsylvania Railroad		13,010	9,519	3,491 Inc.
Buffalo, Rochester and Pittsburgh Railroad		10,713	50,764	40,051 Dec.
Genesee and Wyoming Valley Railroad		1,193	1,152	41 Inc.
New York, Lake Erie and Western Railroad		15,013	100,342	85,329 Dec.
New York, Susquehanna and Western Railroad		702,167	685,747	16,420 Inc.
Central Railroad of New Jersey		37,731	68,784	31,053 Dec.
Philadelphia and Reading Railroad		174,442	271,454	97,012 "
Pennsylvania Railroad		1,149,075	1,204,944	55,869 "
Lehigh and Hudson River Railroad		8,388	9,252	864 "
Delaware, Lackawanna and Western Railroad		2,437	3,968	1,531 "
New York, New Haven and Hartford Railroad		185,484	158,338	27,146 Inc.
Trackage		2,304,818	2,296,966	7,852 "
Supply		754,298	785,022	30,724 Dec.
Total		10,298,977	10,754,792	455,815 Dec.
Total in tons of 2000 pounds		11,534,854	12,045,368	510,514 Dec.

APPENDIX G.

LEHIGH VALLEY COAL COMPANY.

DR. CONDENSED GENERAL BALANCE SHEET, NOVEMBER 30TH, 1895 AND 1896. CR.

ASSETS.	1896.	1895.	INCREASE.	DECREASE.	LIABILITIES.	1896.	1895.	INCREASE.	DECREASE.
Coal properties	\$4,739,927 75	\$4,855,585 07		\$115,657 32	Capital stock	\$650,000 00	\$650,000 00		
Colliery improvements	5,532,944 44	4,998,559 90	\$534,373 54		First mortgage 5 per cent. gold loan	11,782,000 00	11,800,000 00		\$18,000 00
Advanced royalties	3,592,983 35	3,203,310 57	299,642 78		Snow Shoe bonds	500,000 00	500,000 00		
West Superior coal storage	351,855 01	293,564 33	58,290 68		Due Lehigh Valley Railroad Com- pany	5,166,889 85	3,304,493 18	\$1,862,396 67	
Calumet Dock	215,615 03		215,615 03		Sundry credit accounts, including amount due operators for Novem- ber coal	1,140,980 47	1,133,247 65	7,732 82	
Cash	363,583 99	820,667 02		456,483 03	Profit and loss	1,928,551 78	2,019,375 83		90,824 05
Notes and mortgages receivable	601,317 46	631,561 47		30,244 01					
Interest in allied companies	703,568 00	693,568 00	10,000 00						
Royalties due by lessees	39,522 83	59,061 24		19,538 41					
Due for coal sold	2,168,259 32	2,245,667 35		77,408 03					
Sundry debtor accounts	256,675 98	240,676 75	15,999 23						
Coal on hand as per inventory	2,690,285 03	1,363,570 05	1,326,714 98						
Trustees of Sinking Fund, \$19,933 91									
Less bonds canceled in } 1896	1,933 91	1,933 91							
	\$21,168,422 10	\$19,407,116 66	\$1,761,305 44			\$21,168,422 10	\$19,407,116 66	\$1,761,305 44	

COPY OF MORTGAGE
THE LEHIGH VALLEY RAIL ROAD CO.
to
WILLIAM W. LONGSTRETH AND EDWARD ROBERTS,
IN TRUST.

DATED MAY 15, A.D. 1868.

Due June 1, " 1898.

6% Je. & D.

Copied by C. L. Rea. *C. & Reg. \$1,000.*

Compared by

Lawful Money.

*474/ Purchased at par June 1, 1898 or
extended at 4% until June 1, 1948
p. o. i. payable in gold or free
from taxation. (Stro. Wash. Co. Ind.)*

COPY OF INSTRUMENT

THE LEHIGH VALLEY RAIL ROAD CO.

to

WILLIAM W. LONGBETH AND HOWARD LONGBETH.

IN TRUST.

DATED MAY 13, A.D. 1897.

Witness my hand and seal this 13th day of May, 1897.

Attest: *[Signature]*

Copied by C. L. Fox. Price \$1.00.

Forwarded by

[Signature]

[Handwritten notes:]
This instrument was filed for record in the office of the Register of Deeds for Lehigh County, Pa., on May 13, 1897.
It was also filed in the office of the Register of Deeds for Berks County, Pa., on May 13, 1897.
A copy of this instrument was also filed in the office of the Register of Deeds for Luzerne County, Pa., on May 13, 1897.

THIS INDENTURE, made the fifteenth day of May. A.D. one thousand eight hundred and sixty-eight, (1868) between THE LEHIGH VALLEY RAILROAD COMPANY OF THE FIRST PART, and WM. W. LONGSTRETH and EDWARD ROBERTS, both of the City of Philadelphia, OF THE SECOND PART.

WHEREAS, At a Meeting of the Board of Directors of the party of the first part, duly called and held on the 4th day of May, 1868, the following preamble and resolutions were adopted:

"WHEREAS, By the third section of an act of the general Assembly of the Commonwealth of Pennsylvania, entitled "An act to extend the time for the completion of the part of the Lehigh Valley Railroad, commenced under the laws relating to the Penn Haven and White Haven Railroad Company, and to authorize the Lehigh Valley Railroad Company to increase their stock, and to issue bonds, and secure the same by mortgage, and to build branches and inclined planes, and adopt a

THIS INSTRUMENT, made the fifteenth

of May, A.D. one thousand eight hundred and
sixty-eight, (1868) between THE LEHIGH VALLEY
RAILROAD COMPANY OF THE FIRST PART, and W. H.
LONGSTREET and EDWARD BOEHM, both of the
City of Philadelphia, OF THE SECOND PART.

WITNESSES, At a Meeting of the Board of
Directors of the City of Philadelphia, duly
called and held on the 24th day of May, 1868,
the following preamble and resolutions were
adopted:

"WHEREAS, By the third section of an
act of the General Assembly of the Common-
wealth of Pennsylvania, entitled 'An act to
extend the time for the completion of the
'part of the Lehigh Valley Railroad, commenced
'under the laws relating to the Penn Haven
'and White Haven Railroad Company, and to em-
'power the Lehigh Valley Railroad Company
'to increase their stock, and to issue bonds,
'and secure the same by mortgage, and to build
'branches and inclined planes, and adopt a

"terminus," approved the 3d day of April, 1866, (and which Act was duly accepted by the Stockholders of the Company at a Meeting duly called and held on the 14th day of January, 1867, as by reference to the Minutes of said Meeting will appear), it was enacted as follows, viz.:—

"That to provide for the payment of the bonds of the said Company, now maturing, and for such other purposes as they may deem needful, the Board of Directors of the said Company are hereby authorized, from time to time, to issue the bonds of the said Company payable at such time as they may appoint, to such amount as they may deem expedient, at rate of interest not exceeding seven per cent. per annum; and to dispose of the same at such price, and in such way and manner as they may determine; and to secure the payment of the principal and interest of the said bonds by one or more mortgages of the whole, or any portion of the railroad,

"terminus," approved the 24 day of April, 1886, (and which Act was duly accepted by the Stockholders of the Company at a Meeting duly called and held on the 14th day of January, 1887, as by reference to the Minutes of said Meeting will appear), it was enacted as follows, viz.:

"That to provide for the payment of the bonds of the said Company, now maturing, and for such other purposes as they may deem needful, the Board of Directors of the said Company are hereby authorized, from time to time, to issue the bonds of the said Company, payable at such time as they may appoint, to such amount as they may deem expedient, at a rate of interest not exceeding seven per cent. per annum; and to dispose of the same at such price, and in such way and manner as they may determine; and to secure the payment of the principal and interest of the said bonds by one or more mortgages of the whole, or any portion of the railroad,

"branches, property, real and personal, and
"corporate rights and franchises of every na-
"ture whatsoever, acquired or to be acquired
"of the said Company."

"AND WHEREAS, The Company are now in-
debted on bonds or obligations to the amount
of one million four hundred and thirty-seven
thousand dollars (\$1,437,000), secured by a
mortgage of the railroad, property and fran-
chises therein described, dated the twentieth
day of March, A. D. 1853, which said bonds or
obligations become due and payable on the
first day of May, A. D. 1873.

"AND WHEREAS, For the purpose of pro-
viding for the payment of the said bonds or
obligations, and of furnishing the means re-
quired for the transaction of the increasing
business of the Company on their railroads,
and the connections thereof, it is, in the
opinion of this Board, advisable to make and
issue bonds of this Company to the amount of
five million dollars (\$5,000,000).

"THEREFORE, BE IT RESOLVED, That, in

"branches, property, real and personal, and
 "corporate rights and franchises of every kind
 "there whatsoever, acquired or to be acquired
 "of the said Company."

"AND WHEREAS, the Company are now in-
 debted on bonds or obligations to the amount
 of one million four hundred and fifty-seven
 thousand dollars (\$1,457,000), secured by a
 mortgage of the railroad, property and fran-
 chises therein described, dated the twentieth
 day of March, A. D. 1888, which said bonds or
 obligations become due and payable on the
 first day of May, A. D. 1893.

"AND WHEREAS, for the purpose of pro-
 viding for the payment of the said bonds or
 obligations, and of fulfilling the means re-
 quired for the transaction of the increased
 business of the Company on their railroad,
 and the connections thereof, it is, in the
 opinion of this Board, advisable to make and
 issue bonds of this Company to the amount of
 five million dollars (\$5,000,000).

"THEREFORE, BE IT RESOLVED, That, in

pursuance of the authority contained in the said Act, and of all other authority therein that behalf enabling, this Company do make and execute bonds for the said sum of five million dollars (\$5,000,000); that is to say, five thousand (5,000) bonds for the sum of one thousand dollars (\$1000) each, to be numbered consecutively from No. 1 to No. 5000, either to be payable to William W. Longstreth and Edward Roberts, or bearer, with coupons for interest attached; or to be without coupons, registered on the books of the Company in the name of the owner thereof, transferable only on the said books by such owner in person, or by attorney duly authorized, and the principal and interest whereof shall be payable only to such owner, his or her executors, administrators or assigns: that the character of the said bonds, whether coupon or registered, shall be determined by the President of the Company on the execution and delivery thereof: that the said bonds shall be dated the fifteenth day of May, A.D.

assurance of the authority contained in the
 said Act, and of all other authority them in
 that behalf enabling, this Company do make and
 execute bonds for the said sum of five mil-
 lion dollars (\$5,000,000); that is to say,
 five thousand (\$5,000) bonds for the sum of
 one thousand dollars (\$1000) each, to be num-
 bered consecutively from No. 1 to No. 5000,
 either to be payable to William W. Douglass
 and Edward Roberts, or bearer, with coupons
 for interest attached; or to be without cou-
 pons, registered on the books of the Company
 in the name of the owner thereof, transfera-
 ble only on the said books by such owner in
 person, or by attorney duly authorized, and
 the principal and interest whereof shall be
 payable only to such owner, his or her exe-
 cutors, administrators or assigns: that the
 character of the said bonds, whether coupon
 or registered, shall be determined by the
 President of the Company on the execution
 and delivery thereof: that the said bonds
 shall be dated the fifteenth day of May, A.D.

1868, and shall be made payable on the first day of June, A. D. 1898, and shall bear interest from the first day of June, A. D. 1868, at the rate of six per centum per annum, payable on the first day of the months of December and June in each year, until the principal sums thereof become due and payable; and that the principal and interest of the said bonds shall be payable without deduction for any tax or taxes which the said Company may by any present or future laws of the United States or the State of Pennsylvania be required to retain therefrom for National or State purposes-this Company agreeing to pay the same.

"RESOLVED, That the following be the form of the said bonds:

No. I. COUPON BOND. \$1,000.

UNITED STATES OF AMERICA,

STATE OF PENNSYLVANIA.

THE LEHIGH VALLEY RAILROAD COMPANY.
LOAN OF \$5,000,000. SECURED BY MORTGAGE.

THE LEHIGH VALLEY RAILROAD COMPANY acknowledge themselves indebted to William W. [illegible] bonds for the sum of [illegible]

1888, and shall be made payable on the first day of June, A. D. 1888, and shall bear interest from the first day of June, A. D. 1888, at the rate of six per centum per annum, payable on the first day of the months of December and June in each year, until the principal sum thereof become due and payable; and that the principal and interest of the said bonds shall be payable without deduction for any tax or taxes which the said Company may by any present or future laws of the United States or the State of Pennsylvania be required to deduct therefrom for National or State purposes—this Company agreeing to pay the same.

"RESOLVED, That the following be the form of the said bonds:

No. 1. COUPON BOND. \$1,000.

UNITED STATES OF AMERICA,
 STATE OF PENNSYLVANIA.
 THE LEHIGH VALLEY RAILROAD COMPANY.
 LOAN OF \$5,000,000. GUARANTEED BY PENNSYLVANIA.

THE LEHIGH VALLEY RAILROAD COMPANY do
 knowledge themselves indebted to William W.

Longstreth and Edward Roberts of the City of Philadelphia, or bearer, in the sum of ONE THOUSAND DOLLARS, (\$1,000,) lawful money of the United States of America, which sum the said Company promise to pay to the said William W. Longstreth and Edward Roberts or bearer, at the office of the Company, in the City of Philadelphia, on the first day of June, A. D. 1898, with interest thereon from the first day of June, A. D. 1868, at the rate of six per centum per annum, payable semi-annually, on the first day of the months of December and June in each year, on delivery of the proper coupon therefor, without deduction for any tax or taxes on the principal or interest, which the Company may by any present or future laws of the United States or the State of Pennsylvania be required to retain therefrom for National or State purposes—the Company hereby agreeing to pay the same.

This bond is one of a series of five thousand (5,000) bonds for the sum of one

Longstrech and Howard Roberts of the City of Philadelphia, or bearer, in the sum of ONE THOUSAND DOLLARS, (\$1,000,) lawful money of the United States of America, which said said Company promise to pay to the said William W. Longstrech and Howard Roberts or bearer, at the office of the Company, in the City of Philadelphia, on the first day of June, A. D. 1888, with interest thereon from the first day of June, A. D. 1888, at the rate of six per centum per annum, payable semi-annually, on the first day of the month of December and June in each year, on delivery of the proper coupon therefor, without deduction for any tax or taxes on the principal or interest, which the Company may by law or the State of Pennsylvania be required to retain therefrom for National or State purposes—the Company hereby agreeing to pay the same.

This bond is one of a series of five

thousand (\$5,000) bonds for the sum of one

IN WITNESS whereof the said Company
have caused these presents to be sealed with
their corporate seal, duly attested, at Phil-
adelphia, this fifteenth day of May, A.D. one
thousand eight hundred and sixty-eight, (1868.

.....Secretary.

SEAL

LEHIGH VALLEY RAILROAD COMPANY,
THE BANK OF NORTH AMERICA IN THE CITY OF PHIL.
ADELPHIA

the first year of the program, 31 of the 100

Mr. J. H. Smith -

thousand dollars (\$1,000) each, secured by a
Mortgage of even date herewith, duly recorded,
of the railroad, estates real and personal,
and franchises therein mentioned, duly author-
ized, and executed and delivered by the said
Company to William W. Lowmester and Edward
Roberts in TRUST to secure the payment of the
principal and interest of the said bonds.

IN WITNESS whereof the said Company
have caused these presents to be signed with
their corporate seal, duly attested, at Phil-
adelphia, this fifteenth day of May, A.D. one
thousand eight hundred and sixty-eight, (1868).

Attest:

Secretary.

SEAL

.....

LEHIGH VALLEY RAILROAD COMPANY.

THE BANK OF NORTH AMERICA IN THE CITY OF PHIL-

ADELPHIA

PAY THIRTY DOLLARS,

Interest due last, 18, on Bond No.

\$30.

.....

II. REGISTERED BOND.

No. _____ \$1,000.

UNITED STATES OF AMERICA,

STATE OF PENNSYLVANIA.

THE LEHIGH VALLEY RAILROAD COMPANY.

LOAN OF \$5,000,000. SECURED BY MORTGAGE.

THE LEHIGH VALLEY RAILROAD COMPANY acknowledge themselves indebted to _____, of _____, h...executors, administrators or assigns, in the sum of One Thousand Dollars (\$1,000,) lawful money of the United States of America, which sum the said Company promise to pay to the said _____, h...executors, administrators or assigns, at the office of the Company, in the City of Philadelphia, on the first day of June, A.D. 1898, with interest thereon from the first day of June, A.D. 1868, at the rate of six per centum per annum, payable semi-annually, on the first day of the months of December and June, in each year, until the principal sum of this bond shall become due and payable.

The principal and interest of this

II. REGISTERED BOND.

\$1,000.

No.

UNITED STATES OF AMERICA,

STATE OF PENNSYLVANIA,

THE LEHIGH VALLEY RAILROAD COMPANY.

LOAN OF \$1,000,000. SECURED BY MORTGAGE.

THE LEHIGH VALLEY RAILROAD COMPANY

Knows themselves indebted to

., administrators,

or assigns, in the sum of One Thousand Dol-

lars (\$1,000,000) lawful money of the United

States of America, which sum the said Com-

pany promise to pay to the said

., administrators or assigns, at

the office of the Company, in the City of

Philadelphia, on the first day of June, A.D.

1898, with interest thereon from the first day

of June, A.D. 1898, at the rate of six per

centum per annum, payable semi-annually, on

the first day of the months of December and

June in each year, until the principal sum of

this bond shall become due and payable.

The principal and interest of this

bond are payable without deduction for any tax or taxes which the Company may by any present or future laws of the United States or the State of Pennsylvania be required to retain therefrom for National or State purposes—the Company hereby agreeing to pay the same.

This bond is one of a series of five thousand (5,000) bonds for the sum of one thousand dollars (\$1,000) each, secured by a Mortgage of even date herewith, duly recorded, of the railroad, estates real and personal, and franchises therein mentioned, duly authorized, and executed and delivered to William W. Longstreth and Edward Roberts IN TRUST to secure the payment of the principal and interest of the said bonds.

Transferable by the holder hereof only, in person or by attorney duly authorized, upon the books of the Company, at their office in the City of Philadelphia, or at any other place they may designate:—a certificate of every such transfer to be endorsed hereon.

bond are payable without deduction for any tax or taxes which the Company may by any present or future laws of the United States or the State of Pennsylvania be required to retain therefrom for National or State purposes-the Company hereby agreeing to pay the same.

This bond is one of a series of five

thousand (\$5,000) bonds for the sum of one thousand dollars (\$1,000) each, secured by a

mortgage of even date herewith, duly re-

corded, of the railroad, estates real and personal, and franchises therein mentioned, duly authorized, and executed and delivered to William W. Longstrech and Howard Roberts IN TRUST to secure the payment of the prin-

cipal and interest on the said bonds.

Transferable by the holder hereof

only, in person or by attorney duly authorized, upon the books of the Company, at their office in the City of Philadelphia, or at any other place they may designate:-a certificate of every such transfer to be endorsed thereon.

IN WITNESS whereof the said Company have caused these presents to be sealed with their corporate seal, duly attested, at Philadelphia, this fifteenth day of May, A.D. one thousand eight hundred and sixty-eight, (1868.)

Attest: President. :SEAL
 Secretary. :SEAL

AND WHEREAS, it was then further RESOLVED, That to secure the payment of the principal and interest of the said bonds, the party hereto of the first part should make, execute and deliver to the parties hereto of the second part, as mortgagees in trust, this present indenture of mortgage, the form of which was then approved and adopted.

AND WHEREAS, it was then further RESOLVED, That the corporate seal of the party of the first part should be affixed, by their President or Vice President, to each of the said five thousand (5,000) bonds and to this Mortgage, and that the same should be duly at-

IN WITNESS whereof the said Company
 have caused these presents to be sealed with
 their corporate seal, duly attested, at Phila-
 delphia, this fifteenth day of May, A.D. one
 thousand eight hundred and sixty-eight,
 (1868.)

Attest:
 President.
 Secretary.

AND WHEREAS, it was then further re-
 SOLVED, That to secure the payment of the prin-
 cipal and interest of the said bonds, the
 party hereto of the first part should make,
 execute and deliver to the parties hereto of
 the second part, as mortgagees in trust, this
 present indenture of mortgage, the form of
 which was then approved and adopted.

AND WHEREAS, it was then further re-
 SOLVED, That the corporate seal of the party
 of the first part should be affixed, by their
 President or Vice President, to each of the
 said five thousand (\$5,000) bonds and to this
 Mortgage, and that the same should be duly

tested by the signatures of the President or Vice President and Secretary of the party of the first part, and, that the said President be, and he was thereby authorized to acknowledge and deliver this Mortgage as the act and deed of the party hereto of the first part, and have the same duly recorded.

AND WHEREAS, it was then further RESOLVED, That a certificate in the form following, should be placed on each of the said bonds:

"This bond is one of those secured by a Mortgage, duly recorded, of the railroads, estates real and personal, and franchises therein mentioned, of the Lehigh Valley Railroad Company, dated the fifteenth day of May, A.D. 1868, duly authorized, and executed and delivered by the said Company to William W. Longstreth and Edward Roberts the Trustees therein named, to secure the payment of the principal and in-

testated by the signatures of the President or Vice President and Secretary of the party of the first part, and that the said President be, and he was thereby authorized to acknowledge and deliver this Mortgage as the act and deed of the party hereto of the first part, and have the same duly recorded.

AND WHEREAS, it was then further resolved, That a certificate in the form following, should be placed on each of the said bonds:

"This bond is one of those secured by a Mortgage, duly recorded, of the said bonds, estates real and personal, and franchises therein mentioned, of the Lehigh Valley Railroad Company, dated the fifteenth day of May, A.D. 1868, duly authorized, and executed and delivered by the said Company to William W. Longstreth and Edward Roberts the Trustees therein named, to secure the payment of the principal and in-

"terest of bonds of the said Company,
 "to the amount of five million dollars
 "(\$5,000,000).

.....)
)
)
 TRUSTEES.

(All of which by reference to the Minutes of
 the said meeting will fully appear.)

NOW THIS INDENTURE WITNESSETH, That
 the said party of the first part, as well in
 consideration of the premises, and for the se-
 curing the payment of the said bonds so to be
 forthwith made and executed for the sum of
 five million dollars (\$5,000,000), together
 with the interest which will accrue thereon,
 and the taxes upon the principal and interest
 of the said bonds, agreed to be paid by the
 said party of the first part, as therein and
 herein mentioned, as of the sum of one dol-
 lar, lawful money of the United States, unto
 them well and truly paid by the said William
 W. Longstreth and Edward Roberts at the time
 of the execution hereof, the receipt whereof

Interest of bonds of the said Company,
to the amount of five million dollars
(\$5,000,000).

.....
(
TRUSTEES.
(
.....

(All of which by reference to the Minutes of
the said meeting will fully appear.)

NOW THIS INDENTURE WITNESSETH, That

the said party of the first part, as well in
consideration of the premises, and for the ac-
cording the payment of the said bonds so to be

forthwith made and executed for the sum of
five million dollars (\$5,000,000), together
with the interest which will accrue thereon,

and the taxes upon the principal and interest
of the said bonds, agreed to be paid by the

said party of the first part, as therein and
herein mentioned, as of the sum of one dol-

lar, lawful money of the United States, unto
them well and truly paid by the said William

W. Longstrech and Edward Roberts at the time
of the execution hereof, the receipt whereof

is hereby acknowledged, HAVE granted, bargained, sold, aliened, enfeoffed, released, and confirmed, assigned, transferred and set over, and by these presents, in pursuance and execution of the power and authority in them vested by the said recited resolutions, and of the Act of Assembly aforesaid, and of all and every power and authority in them in anywise vested and in this behalf enabling, DO grant, bargain, sell, alien, enfeoff, release and confirm, assign, transfer and set over unto the said parties hereto of the second part, and the survivor of them, and the heirs, executors and administrators of such survivor, all the railroads of the party of the first part, viz. the main line extending from Phillipsburg on the Eastern bank of the River Delaware, opposite the town of Easton, in the County of Northampton, in the State of Pennsylvania, to Wilkesbarre, in the County of Luzerne, in the same state; the Beaver Meadow branch, extending from Penn Haven Junction, on the said main line, in the County of Car-

is hereby acknowledged, HAVE granted, par-
 gained, sold, aliened, entailed, released,
 and confirmed, assigned, transferred and set
 over, and by these presents, in pursuance and
 execution of the power and authority in them
 vested by the said recited resolutions, and of
 the Act of Assembly aforesaid, and of all and
 every power and authority in them in anywise
 vested and in this behalf enabling, DO grant,
 bargain, sell, alien, entail, release and
 confirm, assign, transfer and set over unto
 the said parties hereto of the second part,
 and the survivor of them, and the heirs, ex-
 cutors and administrators of such survivor,
 all the railroads of the party of the first
 part, viz. the main line extending from Phil-
 lipsburg on the Eastern bank of the River
 Delaware, opposite the town of Weston, in the
 County of Northampton, in the State of Penn-
 sylvania, to Wilkesbarre, in the County of
 Luzerne, in the same state; the Beaver Meadow
 branch, extending from Penn Haven Junction,
 on the said main line, to the County of Gar-

bon, to Audenried, in the said County of Carbon in the same state; and the Lehigh and Mahanoy branch, extending from Black Creek Junction on the said Beaver Meadow branch, in the County of Carbon, to Mount Carmel, in the County of Northumberland, in the same State; TOGETHER with all branches, extensions, sidings and turnouts of the said railroads and each of them, now belonging to, or which may hereafter be constructed by the said party of the first part; AND all lands, rights of way rails, bridges, wharves, fences, workshops, machinery, stations, offices, depots, depot-grounds, engine-houses, buildings, improvements, tenements and hereditaments, now owned by the party of the first part, and used for the purpose of operating the said railroads, or any of them, or which may hereafter be acquired by the said party of the first part, and be used for the said purpose; TOGETHER with all the rolling-stock, tools, implement and materials now belonging, or which may and every part and parcel thereof.

and materials now belonging, or which may
 with all the rolling-stock, tools, implements
 and be used for the said purpose; TOGETHER
 owned by the said party of the first part,
 or any of them, or which may hereafter be ac-
 the purpose of operating the said railroads,
 by the party of the first part, and used for
 ments, tenements and hereditaments, now owned
 grounds, engine-houses, buildings, improve-
 machinery, stations, offices, depots, depot-
 rails, bridges, wharves, fences, workshops,
 the first part; AND all lands, rights of way,
 hereafter be constituted by the said party or
 each of them, now belonging to, or which may
 ings and turnouts of the said railroads and
 TOGETHER with all branches, extensions, sid-
 County of Northumberland, in the same State;
 County of Carbon, to Mount Carmel, in the
 tion on the said Beaver Meadow branch, in the
 hanny branch, extending from Black Creek Junc-
 tion in the same State; and the Lehigh and Ma-
 don, to Auderried, in the said County of Car-

hereafter belong to the party of the first part, and now or hereafter in use, or intended for use upon the said railroads or any of them, or in connection with the proper equipment and operation of the same; TOGETHER with all and singular the corporate rights, privileges and franchises of the said party of the first part, acquired or to be acquired, connected with, or relating to the said railroads or any of them; AND TOGETHER with all the streets, ways, alleys, passages, waters, water-courses, easements, rights, liberties, privileges, hereditaments and appurtenances whatsoever unto any of the hereby granted and mentioned premises and estates belonging and appertaining, or to belong and appertain, and the reversions and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, claim and demand of every nature and kind whatsoever, of the said party of the first part, as well at law as in equity of, in and to the same, and every part and parcel thereof:

hereafter belong to the party of the first part, and now or hereafter in law, or in equity

for use upon the said railroad or any of them, or in connection with the proper equipment and operation of the same; TOGETHER WITH all and singular the corporate rights, privileges and franchises of the said party of the first part, acquired or to be acquired, connected with, or relating to the said railroad

or any of them; ALL TOGETHER WITH all the streets, ways, alleys, passages, water-

water-courses, easements, rights, liberties, privileges, hereditaments and appurtenances

whatsoever unto any of the hereby granted and

mentioned premises and estates belonging and

appertaining, or to belong and appertain, and

the reversions and remainders, rents, issues

and profits thereof, and all the estate,

right, title, interest, property, claim and

demand of every nature and kind whatsoever,

of the said party of the first part, as well

at law as in equity of, in and to the same,

and every part and parcel thereof:

TO HAVE AND TO HOLD the same with the appurtenances, unto the parties hereto of the second part, and the survivor of them, and the heirs, executors and administrators of such survivor, to and for their only use and behoof; BUT IN TRUST, NEVERTHELESS, for the use, benefit and security as hereinafter mentioned, of the several persons, their respective successors, executors, administrators and assigns, who shall be or become the holders of the said bonds to the amount of five millions of dollars, (\$5,000,000) as aforesaid, intended to be hereby secured, or any of them, SUBJECT to the right of the party of the first part, and their successors and assigns, to retain the free and uncontrolled use, enjoyment, possession and management of the premises hereby granted, or intended so to be, until the said parties of the second part are authorized to enter upon, and take possession of, or sell the same, as hereinafter set forth.

AND IT IS HEREBY EXPRESSLY COVENANTED,

TO HAVE AND TO HOLD the same with the
 aforesaid, unto the parties hereto of the
 second part, and the survivor of them, and the
 heirs, executors and administrators of each
 survivor, to and for their only use and be-
 hood; BUT IN TRUST, WHEREUNTO, for the use,
 benefit and security as hereinafter mentioned,
 of the several persons, their respective suc-
 cessors, executors, administrators and as-
 signs, who shall be or become the holders of
 the said bonds to the amount of five millions
 of dollars, (\$5,000,000) as aforesaid, in-
 tended to be hereby secured, or any of them,
 SUBJECT to the right of the party of the first
 part, and their successors and assigns, to re-
 tain the free and uncontrolled use, enjoyment,
 possession and management of the premises
 hereby granted, or intended so to be, until
 the said parties of the second part are au-
 thorized to enter upon, and take possession
 of, or sell the same, as hereinafter set
 forth.

AND IT IS HEREBY EXPRESSLY COVENANTED,

AGREED AND UNDERSTOOD by and between the parties hereto, (the said party of the first part covenanting as well for themselves as their successors and assigns, and the said parties of the second part covenanting as well for themselves as their successor or successors in the trust), in manner following, viz.:

FIRST. That they, the party of the first part, will punctually pay to the holders of the bonds aforesaid intended to be hereby secured, or any that may be issued and accepted in lieu, renewal or substitution of the same respectively, the interest thereon semi-annually, as the same shall become due and payable according to the terms in the said bonds contained, and on the days therein respectively mentioned for the payment of the same, and shall and will also on the days and times mentioned in the said bonds respectively, or whenever the said principal sums of the said bonds shall, according to the provisions hereof, become due and payable, fully and entirely pay off and satisfy as aforesaid

AGREED AND UNDERTOOK by and between the par-
 ties hereto, (the said party of the first part
 covenanting as well for themselves as their
 successors and assigns, and the said parties
 of the second part covenanting as well for
 themselves as their successor or successors
 in the trust), in manner following, viz.:
 FIRST. That the said party of the
 first part, will punctually pay to the holders
 of the bonds aforesaid intended to be hereby
 secured, or any that may be issued and so-
 cepted in lieu, renewal or substitution of the
 same respectively, the interest thereon semi-
 annually, as the same shall become due and
 payable according to the terms in the said
 bonds contained, and on the days therein re-
 spectively mentioned for the payment of the
 same, and shall and will also on the days and
 times mentioned in the said bonds respec-
 tively, or whenever the said principal sums of
 the said bonds shall, according to the pro-
 visions hereof, become due and payable, fully
 and entirely pay off and satisfy as aforesaid

the whole of the said bonds, principal and interest, without further delay, and without deduction from either said principal or interest for any tax or taxes which the said party of the first part may by any present or future laws of the United States, or the State of Pennsylvania be required to retain therefrom for National or State purposes, the said party of the first part hereby agreeing to pay the same.

SECOND. That if the party of the first part hereto, their successors or assigns, shall at any time hereafter, after demand made, make default, or refuse, neglect or omit for any period exceeding six months, to pay the semi-annual interest on the bonds intended to be hereby secured, or any of them, or shall, after demand made, make default, or refuse, neglect or omit for any period exceeding six months, to pay the principal sum of each and all of the said bonds intended to be hereby secured, or any of them, when and

the whole of the said bonds, principal and interest, without further delay, and without deduction from either said principal or interest for any tax or taxes which the said party of the first part may by any present or future laws of the United States or the State of Pennsylvania be required to retain therefrom for National or State purposes—the said party of the first part hereby agreeing to pay the same.

SECOND. That if the party of the first part hereto, their successors or assigns, shall at any time hereafter, after demand made, make default, or refuse, neglect or omit for any period exceeding six months, to pay the semi-annual interest on the bonds intended to be hereby secured, or any of them, or shall, after demand made, make default, or refuse, neglect or omit for any period exceeding six months, to pay the principal sum of each and all of the said bonds intended to be hereby secured, or any of them, when and

as the same become due and payable; then, and in either such case, the said trustee or trustees for the time being, shall and will, upon the written request of holders of one-fourth in amount of the said bonds then outstanding, enter upon and take possession of the railroads, estates real and personal, and premises hereby mortgaged or agreed or intended so to be, and shall and will thereupon operate, use, manage and control the said railroads, estates real and personal, and premises, possession of which may be so taken, to the best advantage, and appropriate the net income and proceeds derived therefrom, (after deducting the expenses of this trust, and such sums or sum as may be sufficient to indemnify the trustees or trustee for the time being, against any liability, loss or damage for or on account of any matter or thing done by them or him in good faith, in pursuance of their or his duty as trustees or trustee), to the payment in full, without giving preference, priority or dis-

as the same become due and payable; then, and in either such case, the said trustee or trustees for the time being, shall and will, upon the written request of holders of one-tenth in amount of the said bonds then outstanding, enter upon and take possession of the railroad, situated real and personal, and premises thereon mortgaged or agreed or intended so to be, and shall and will thereupon operate, manage and control the said railroad, situated real and personal, and premises, possession of which may be so taken, to the best advantage, and appropriate the net income and profits derived therefrom, (after deducting the expenses of this trust, and such sums or sums as may be sufficient so indemnify the trustees or trustee for the time being, against any liability, loss or damage for or on account of any matter or thing done by them or him in good faith, in pursuance of their or his duty as trustee or trustees), to the payment in full, without giving preference, priority or dis-

tion to one bond over another, FIRST, of
 the interest due on, and, SECONDLY, of the
 principal of all of the aforesaid bonds then
 outstanding and intended to be hereby secured
 in full, if the said income and proceeds be
 sufficient, but if not, then PRO RATA; or the
 said trustees or trustee shall and will after
 or without, entering upon or taking such pos-
 session, upon the written request of holders
 of a like amount of said bonds then outstand-
 ing, proceed to sell the railroads, estates
 real and personal, corporate rights and fran-
 chises, and premises hereby mortgaged, or
 agreed or intended so to be, to the highest
 and best bidder, at public sale, in the City
 of Philadelphia, (first giving at least three
 months' notice of such intended sale by pub-
 lication, to be made twice in each week, in
 at least two daily newspapers published in
 the said City of Philadelphia and in the City
 of New York), and grant and convey the same
 to the purchaser or purchasers, freed from

tion to one bond over another, FIRST, of
 the interest due on, and, SECONDLY, of the
 principal of all of the aforesaid bonds then
 outstanding and intended to be hereby secured
 in full, if the said income and proceeds be
 sufficient, but if not, then THE PAYEE or the
 said trustees or trustee shall and will after
 or without, entering upon or taking such pos-
 session, upon the written request of holders
 of a like amount of said bonds then outstand-
 ing, proceed to sell the railroads, estates
 real and personal, corporate rights and trans-
 missions, and premises hereby mentioned, or
 agreed or intended so to be, to the highest
 and best bidder, at public sale, in the City
 of Philadelphia, (first giving at least three
 months' notice of such intended sale by pub-
 lication, to be made twice in each week, in
 at least two daily newspapers published in
 the said City of Philadelphia and in the City
 of New York), and grant and convey the same
 to the purchaser or purchasers, freed from

all and every the trusts hereby created, and without liability to see to the application of the purchase-money; and shall and will appropriate the purchase-money, after deductions made for expenses of the trust, and indemnity to the trustees or trustee as aforesaid, to the payment as aforesaid, FIRST, of the interest due on, and SECONDLY, of the principal of the said outstanding bonds, in full, if said purchase-money be sufficient, but if not, then PRO RATA; and in the event of there being in the hands of the said trustees or trustee any portion of the trust estate, or the proceeds thereof, after the payment in full of the principal and interest of the aforesaid bonds, then the said trustees or trustee shall convey, retransfer, or pay over the same to the party of the first part, their successors or assigns, for their sole use and benefit. IT BEING DISTINCTLY UNDERSTOOD AND AGREED, That in the event of any such entry upon or taking possession of the railroads, estates real and personal, and premises hereby mort-

All and every the trusts hereby created, and
 without liability to see to the application of
 the purchase-money; and shall and will of pro-
 vide the purchase-money, after deductions
 made for expenses of the trust, and liability
 to the trustee or trustee as aforesaid, so
 the payment as aforesaid, TRUST, of the interest
 due on, and SHOWN, of the principal of
 the said outstanding bonds, in full, it shall
 purchase-money be sufficient, but if not, then
 TWO FATA; and in the event of there being in
 the hands of the said trustee or trustee any
 portion of the trust estate, or the proceeds
 thereof, after the payment in full of the prin-
 cipal and interest of the aforesaid bonds,
 then the said trustee or trustee shall re-
 convey, retransfer, or pay over the same to
 the party of the first part, their successors
 or assigns, for their sole use and benefit.
 IT BEING DISTINGUISHINGLY UNDERSTOOD AND AGREED,
 That in the event of any such entry upon or
 taking possession of the realties, estates
 real and personal, and premises hereby mort-

gaged or agreed or intended so to be, or in the event of any sale thereof by the said trustees or trustee for the time being, as hereinbefore mentioned, then and in either such case, the whole principal sum of each and all of the said bonds then outstanding and intended to be hereby secured, shall forthwith become due and payable.

THIRD. That it shall and may be lawful for the said party of the first part, their successors or assigns, by and with the consent and approval in writing of the said trustees or trustee for the time being, at any time or times hereafter, to exchange for other property, or to sell any part of the hereby mortgaged estates and premises, free and clear from the lien or incumbrance of these presents, and to convey the same, without liability on the part of the grantee for the disposition made of the purchase money, or of the property received in exchange by the party of the first part: PROVIDED HOWEVER, That the proceeds of

passed or agreed or intended as to be, or in the event of any sale thereof by the said trust or trustee for the said family, as hereinafter mentioned, then and in either case of the whole principal sum of each and all of the said bonds then outstanding and intended to be hereby secured, shall forthwith become due and payable.

THIRD. That it shall and may be lawful

for the said party of the first part, their successors or assigns, by and with the consent and approval in writing of the said trustee or trustee for the time being, at any time or times hereafter, to exchange for other property, or to sell any part of the property hereby stated and promised, free and clear from the lien or incumbrance of these presents and to convey the same, without liability on the part of the trustee for the disposition made of the purchase money, or of the property received in exchange by the party of the first part: PROVIDED HOWEVER, That the proceeds of

any sale so made shall be invested by the said party of the first part, either in the improvement of any remaining part of the mortgaged premises: or in the purchase of other property, real or personal, which property so purchased, as also any that may be required in exchange as aforesaid, by the party of the first part, shall be subject to all the trusts (including that of sale or exchange) hereby declared of the property described in this indenture, and shall be conveyed in mortgage by the party of the first part to the said trustees or trustee for the time being, to be so held: or in the purchase of bonds hereby secured, which bonds so purchased shall be forthwith cancelled and delivered to the parties of the second part..

FOURTH. That in the event of the death, resignation, neglect, refusal or incapacity to act, of either or both of the trustees herein named, or any successor or successors in the trust, then the party of the

any sale or trade shall be invented by the said party of the first part, either in the improvement of any remaining part of the foregoing premises: or in the purchase of other property, real or personal, which property so purchased, as also any that may be required to exchange as aforesaid, by the party of the first part, shall be subject to all the costs (including that of sale or exchange) hereby declared of the property described in this indenture, and shall be conveyed in mortgage by the party of the first part to the said trustees or trustees for the time being, to be so held: or in the purchase of bonds hereby secured, which bonds so purchased shall be forthwith cancelled and delivered to the parties of the second part.

FOURTH. That in the event of the death, resignation, removal or incapacity to act, of either or both of the trustees herein named, or any successor or successors in the trust, then the party of the

first part hereto shall have full power and authority to nominate and appoint a new trustee or trustees, for the purpose of filling the vacancy so caused, and supplying the place of such trustee or trustees, so dying, resigning, neglecting, refusing or becoming incapable to act: and the said trustee or trustees so nominated and appointed, shall take upon himself or themselves the same trusts, and have the same powers, and be subject to all the stipulations and conditions of this indenture; and which trusts, powers, stipulations and conditions it is hereby agreed and declared shall extend to and be performed and executed by such newly appointed trustee or trustees as they can or may or could or might be by the parties named herein as parties of the second part: and the like nomination and appointment shall and may be made and carried into effect in like manner, and as often, from time to time, as there may be occasion therefor, and with the same effect as before mentioned.

first part hereto shall have full power and
 authority to nominate and appoint a new trust-
 ee or trustees, for the purpose of filling
 the vacancy so caused, and supplying the place
 of such trustee or trustees, so dying, resign-
 ing, neglecting, refusing or becoming incapable
 to act: and the said trustee or trustees so
 nominated and appointed, shall take upon him-
 self or themselves the same trusts, and have
 the same powers, and be subject to all the
 stipulations and conditions of this indenture;
 and which trusts, powers, stipulations and
 conditions it is hereby agreed and declared
 shall extend to and be performed and executed
 by such newly appointed trustee or trustees
 as they can or may or could or might be by the
 parties named herein as parties of the second
 part: and the like nomination and appointment
 shall and may be made and carried into effect
 in like manner, and as often, from time to
 time, as there may be occasion therefor, and
 with the same effect as before mentioned.

FIFTH. And it is hereby further covenanted and agreed, as aforesaid, and this trust is accepted upon the express condition that the said trustees shall not, nor shall any future trustees or trustee, incur any liability or responsibility whatever in consequence of permitting or suffering the said party of the first part to retain or be in possession of the railroads, estates and premises hereby mortgaged, or agreed or intended so to be, or any part thereof, and to use and enjoy the same; nor shall the said trustees, or any future trustees or trustee, be or become responsible or liable for any destruction, deterioration, loss, injury or damage which may be done or occur to the railroads and estates hereby mortgaged, or agreed or intended so to be, either by said party of the first part, or their agents or servants, or by any other person or persons whomsoever nor shall any such trustees or trustee, present or future, be in any way responsible for

FIFTH. And it is hereby further con-

venanted and agreed, as aforesaid, and this trust is accepted upon the express condition, that the said trustees shall not, nor shall any future trustees or trustee, incur a liability or responsibility whatever in consequence of permitting or suffering the said party of the first part to retain or be in possession of the railroad, estates and premises hereby mortgaged, or agreed or intended so to be, or any part thereof, and to use and enjoy the same; nor shall the said trustees, or any future trustees or trustee, be or become responsible or liable for any destruction, deterioration, loss, injury or damage which may be done or occur to the railroad and estates hereby mortgaged, or agreed or intended so to be, either by said party of the first part, or their agents or servants; or by any other person or persons whatsoever; nor shall any such trustees or trustee, present or future, be in any way responsible for

the consequences of any breach on the part of the party of the first part, or any of the covenants herein contained, nor of any act of said party of the first part, their agents or servants: nor shall the said trustees or trustee, present or future, be or become liable or responsible for any cause, matter or thing, except their or his own wilful and intentional breaches of the trusts herein expressed and contained:

PROVIDED ALWAYS, NEVERTHELESS, That if the party of the first part, their successors or assigns, shall and do well and truly pay, or cause to be paid, unto the person or persons, bodies politic or corporate, who shall become holders of the bonds intended to be secured hereby, the several and respective sums expressed therein, on the day and time hereinbefore mentioned for payment thereof, together with the lawful interest for the same, according to the provisions of the said recited obligations or bonds, or in accord-

the consequences of any breach on the part of the party of the first part, or any of the covenants herein contained, nor of any act of said party of the first part, their agents or servants: nor shall the said trustee or trustees, present or future, be or become liable or responsible for any such matter or thing, except their or his own willful and intentional breaches of the trusts herein expressed and contained:

PROVIDED ALWAYS, HOWEVER, THAT if the party of the first part, their successors or assigns, shall and do well and truly pay, or cause to be paid, unto the person or persons, bodies politic or corporate, who shall become holders of the bonds intended to be secured hereby, the several and respective sums expressed therein, on the day and time hereinbefore mentioned for payment thereof, together with the lawful interest for the same, according to the provisions of the said vested obligations or bonds, or in accord-

ance with the provisions hereof, without any fraud or further delay, then and from thenceforth, as well ~~as~~ this present indenture, and the estate hereby granted and conveyed, or hereby agreed so to be, as the said recited obligations, shall become void and of no effect, anything hereinbefore contained to the contrary thereof notwithstanding: and satisfaction shall be forthwith duly entered by the said trustees or trustee for the time being, upon the record of this indenture of mortgage.

IN WITNESS WHEREOF, The said THE LEHIGH VALLEY RAILROAD COMPANY has hereunto affixed its common or corporate seal, and the President of the said Company, by virtue of the authority vested in him, has hereunto affixed his signature, and the Secretary of the said Company has duly attested the execution hereof, this the day and year first aforesaid.

ASA PACKER, Pres't.

ance with the provisions hereof, without any
 fraud or further delay, then and from thence-
 forth, as well as this present indenture, and
 the estate hereby granted and conveyed, or
 hereby agreed so to be, as the said recited ob-
 ligations, shall become void and of no effect,
 anything heretofore contained to the contrary
 thereof notwithstanding: and satisfaction shall
 be forthwith duly entered by the said trustees
 or trustee for the time being, upon the record
 of this indenture of mortgage.

IN WITNESS WHEREOF, The said THE UNION

VALLEY RAILROAD COMPANY has hereunto affixed
 its common or corporate seal, and the President
 of the said Company, by virtue of the authority
 vested in him, has hereunto affixed his signa-
 ture, and the Secretary of the said Company has
 duly attested the execution hereof, this the
 day and year first aforesaid.

ASA PACHENY, Pres't.

Sealed and delivered in)
 presence of us, (United)
 States Internal Revenue)
 Stamps to the amount of)
 Five Thousand Dollars,)
 (\$5,000,) being first)
 affixed and cancelled.)

Seal of the
 Lehigh Valley
 R. R. Co.

JNO. R. FANSHAW,

ALEX. D. CAMPBELL.

Attest:

L. CHAMBERLAIN,
 Sec'y.

WE do hereby accept the foregoing
 TRUST. IN WITNESS WHEREOF, we have hereunto
 set our hands and seals, this fifteenth day
 of May, A.D. one thousand eight hundred and
 sixty-eight, (1868.)

Signed and sealed in)
 the presence of us,)

SEAL
 WM. W. LONGSTRETH,

JNO. R. FANSHAW,

L. CHAMBERLAIN.

EDWD. ROBERTS.

SEAL

Seal of the
British Virgin
Islands
A. H. 20.

(sealed and delivered in
(presence of us, (United
(States Internal Revenue
(Stamps to the amount of
(Five Thousand Dollars,
((\$5,000,) being first
(affixed and cancelled.)
(
(JNO. R. TANSWANT,
(ALHX:D. CATHLIN.

Attest:

L. CHAMBLAIN
Sec'y.

"We do hereby certify the foregoing
TAXES IN WITNESS WHEREOF, we have hereunto
set our hands and seals, this fifteenth day
of May, A.D. one thousand eight hundred and
sixty-eight, (1868.)

(signed and sealed in
(the presence of us,
(JNO. R. TANSWANT,
(JAMES. ROBERTS.
(L. CHAMBLAIN.

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XXXXXXXXXXXXXXXXXXXX
XUnited States      X
X  Internal         X
X  Revenue          X
X  Stamps.          X
X  _____       X
X  Five Thousand    X
X  Dollars.         X
XXXXXXXXXXXXXXXXXXXX

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City of Philadelphia,) ss.
 State of Pennsylvania)

BE IT REMEMBERED, That on this 15th day of May, A.D. one thousand eight hundred and sixty-eight, (1868), before me, the subscriber, one of the Aldermen in and for said City, personally came and appeared Asa Packer, Esquire, President of the foregoing-named corporation, The Lehigh Valley Railroad Company, who being duly sworn, deposes and says: That he was personally present at the execution of the foregoing Indenture of Mortgage, and did affix the common or corporate seal of the said corporation, The Lehigh Valley Railroad Company, thereto, and that the seal so affixed is the common or corporate seal of the said The Lehigh Valley Railroad Company; and that

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•

•

the foregoing Indenture of Mortgage was duly signed, sealed and delivered by and as and for the act and deed of the said The Lehigh Valley Railroad Company, for the uses and purposes therein mentioned, and that the signature of this deponent to the said Indenture of Mortgage, as President of the said corporation, is of this deponent's own proper handwriting.

ASA PACKER,
Pres't.

Sworn and Subscribed before me,)
this the day and year afore-)
said. Witness my hand and seal.)

W. W. DOUGHERTY, SEAL
Alderman.

City of Philadelphia,)
State of Pennsylvania.) ss.

BE IT REMEMBERED, That on this 15th day of May, A.D. one thousand eight hundred and sixty-eight (1868), before me, the subscriber, one of the Aldermen in and for said City, personally came and appeared, Floyd Chamberlain, Esquire, Secretary of the fore-

the foregoing Indenture of Mortgage was duly signed, sealed and delivered by and as and for the set and deed of the said The Pennsylvania Railroad Company, for the use and purposes therein mentioned, and that the signature of this deponent to the said Indenture of Mortgage, as President of the said corporation, is of this deponent's own proper handwriting.

ADA PACHTER,
Pres't.

(Sworn and Subscribed before me,
(this the day and year above-
(said. Witness my hand and seal.)

W. W. DOUGHERTY,
ALDERMAN.

(City of Philadelphia,
()
(State of Pennsylvania.
(as.

BE IT REMEMBERED, That on this 15th day of May, A.D. one thousand eight hundred and sixty-eight (1868), before me, the underscriber, one of the Aldermen in and for said City, personally came and appeared, Henry Chamberlain, Pasture, Secretary of the fore-

going-named corporation, The Lehigh Valley Railroad Company, who being duly affirmed according to law, deposes and says: That he was personally present at the execution of the foregoing Indenture of Mortgage, and saw Asa Parker, Esquire, President of the said corporation, sign, seal and deliver the said Indenture as his act and deed, and in pursuance of a resolution of the Board of Directors of the said Company, in the said Indenture recited, passed at a meeting of the said Board, held on the fourth day of May, A.D. one thousand eight hundred and sixty-eight (1868), by order and authority of the said Company, as the act and deed thereof; and did also see him affix the seal of the said Company to the said Indenture of Mortgage, by virtue of the authority aforesaid vested in him, as the act and deed of the said Company; and that the name of this deponent subscribed to the said Indenture, as Secretary of the said corporation, in attestation

going named corporation, The Jewish Valley
 Railroad Company, who being duly sworn and so-
 cording to law, deposes and says: That he
 was personally present at the execution of
 the foregoing Indenture of Mortgage, and saw
 Asa Parker, Esquire, President of the said
 corporation, sign, seal and deliver the said
 Indenture as his act and deed, and in pursu-
 ance of a resolution of the Board of Direc-
 tors of the said Company, in the said Inden-
 ture recited, passed at a meeting of the said
 Board, held on the fourth day of May, A.D.
 one thousand eight hundred and sixty-eight
 (1868), by order and authority of the said
 Company, as the act and deed thereof; and
 did also see him affix the seal of the said
 Company to the said Indenture of Mortgage,
 by virtue of the authority aforesaid vested
 in him, as the act and deed of the said Com-
 pany; and that the name of this document
 subscribed to the said Indenture, as Secre-
 tary of the said corporation, in attestation

of the due execution and delivery of the said Indenture, is of this deponent's own proper handwriting.

L. CHAMBERLAIN,
Sec'y.

Affirmed and Subscribed before me,)
this the day and year first afore-)
said. Witness my hand and seal.)

W. W. DOUGHERTY, SEAL
Alderman.

of the due execution and delivery of the said
Indenture, is of this defendant's own proper
handwriting.

J. CHAFFIN
Sec'y.

Affirmed and Subscribed before me,
this the day and year first above-
said. Witness my hand and seal.

W. W. DOUGHERTY,
Notary.

MORTGAGE

THE
LEHIGH VALLEY RAILROAD CO.
TO
THE GIRARD LIFE INSURANCE, ANNUITY AND
TRUST COMPANY OF PHILADELPHIA.

Registered form only
IN TRUST

40%
Lawful money
DATED JUNE 29, A. D. 1870.

1870
1870

Copied by.....Marion Heath
Compared by.....Marion Heath

*.....
G. H.

"to increase the stock, and to in-
"and secure the same
"build the shed and other buildings,

REGISTERED

13

LEWIS VAILLEY PATENT CO.

TO

THE GILBERT LIND INCORPORATED, A CORP. OF CALIF.

TRUST COMPANY OF THE STATE OF CALIF.

Registered - from 1900
JUN 23 1900

James M. Lewis
DATED JUNE 23, A. D. 1900.

Copied by.....for North
Compared by.....for South

--and--
G. H.

THIS INDENTURE, made the 29th day of June, A. D. one thousand eight hundred and seventy, (1870) between THE LEHIGH VALLEY RAILROAD COMPANY OF THE FIRST PART, and THE GIRARD LIFE INSURANCE, ANNUITY AND TRUST COMPANY OF PHILADELPHIA, OF THE SECOND PART.

WHEREAS, At a meeting of the Board of Directors of the party of the first part, duly called and held on the fourteenth day of June, 1870, the following preamble and resolutions were adopted:

"WHEREAS, By the third section of an act of the general Assembly of the Commonwealth of Pennsylvania, entitled "An Act to extend
"the time for the completion of the part of
"the Lehigh Valley Railroad, commenced under
"the laws relating to The Penn Haven and
"White Haven Railroad Company, and to au-
"thorize the Lehigh Valley Railroad Company
"to increase their stock, and to issue bonds,
"and secure the same by mortgage, and to
"build branches and inclined planes, and

"adopt a terminus," approved the 3d day of April, 1866, (and which Act was duly accepted by the Stockholders of the Company at a Meeting duly called and held on the 14th day of January, 1867, as by reference to the Minutes of said Meeting will appear), it was enacted as follows, viz.:

"That to provide for the payment of the bonds of the said Company, now maturing, and for such other purposes as they may deem needful, the Board of Directors of the said Company are hereby authorized, from time to time, to issue the bonds of the said Company, payable at such time as they may appoint, to such amount as they may deem expedient, at a rate of interest not exceeding seven per cent. per annum; and to dispose of the same at such price, and in such way and manner as they may determine; and to secure the payment of the principal and interest of the said bonds by one or more mortgages of the whole, or any portion of the railroad, branches, property, real and personal, and corporate rights and franchises of every

"adopt a terminals," approved by the Board of Directors of the Company, April, 1883, (and which Act was then approved by the Stockholders of the Company, meeting duly called and held at the City of New York, on the 1st day of January, 1884, as by reference to the minutes of said meeting will appear), is hereby amended as follows, viz.:

"That to provide for the payment of the bonds of the said Company, now maturing, and for such other purposes as may hereafter be needed, the Board of Directors of the said Company are hereby authorized, from time to time, to issue the bonds of the said Company, in any amount as they may deem proper, at a rate of interest not exceeding five per cent. per annum; and to give such bonds at such price, and in such denominations as they may determine; and to pay the principal of the said bonds out of the funds of the said Company, or out of the proceeds of the sale of the same, or in any other manner as they may deem proper; and to execute all such other acts and things as may be necessary or proper to carry out the purposes of this amendment."

"nature whatsoever, acquired or to be acquired, of the said Company."

"AND WHEREAS, For the purpose of furnishing the means required for increasing and transacting the business of the Company on their railroads, and the connections thereof, and for making such further extensions of the said roads as may from time to time be thought expedient, it is, in the opinion of this Board, advisable to make and issue bonds of this Company to the amount of six million dollars (\$6,000,000).

"THEREFORE, be it RESOLVED, That, in pursuance of the authority contained in the said Act, and of all other authority them in that behalf enabling, this Company do make and execute bonds for the said sum of six million dollars (\$6,000,000); that is to say, six thousand (6,000) bonds for the sum of one thousand dollars (\$1,000) each, to be numbered consecutively from No. 1 to No. 6,000; to be without coupons, registered on the books of the Company in the name of the owner thereof, transferable only on the

"nature whatsoever, acquired or to be ac-

"during, of the said Company."

"AND WHEREAS, For the purpose of im-

taking the means required for the operation of

transacting the business of the Company, and

their railroads, and the connections thereof

and for making such further extensions of

the said roads as may from time to time be

thought expedient, it has been decided that

this Board, advisable to make and issue bonds

of this Company, to the amount of six million

dollars (\$6,000,000).

"THEREFORE, be it RESOLVED, That, in

purchase of the authorized bonds of this

said Act, and of all other bonds authorized

by it behalf existing, the said Company shall

and execute bonds for the said sum of six

million dollars (\$6,000,000); and in order

to secure the same, the said Company shall

thereby dollars (\$1,000,000) each, to be

and come respectively from Nos. 1 to No. 1,000;

to be without coupon, redeemable at the

books of the Company in the name of the

owner the said, transferrable only, of the

said books by such owner in person or by attorney duly authorized, and the principal and interest whereof shall be payable only to such owner, his or her executors, administrators or assigns; that the said bonds shall be dated the 29th day of June, A. D. 1870, and shall be made payable on the first day of September, A. D. 1910, and shall bear interest from the first day of September, A. D. 1870, at the rate of seven per centum per annum, payable on the first day of the months of March and September in each year, until the principal sums thereof become due and payable; and that the principal and interest of the said bonds shall be payable without deduction for any tax or taxes which the said Company may by any present or future laws of the United States or the Pennsylvania be required to retain therefrom for National State of or State purposes--this Company agreeing to pay the same.

"RESOLVED, That the following be the form of the said bonds:

and bonds by each owner of the property, and the principal
 and interest thereof shall be payable to the
 such owner, his or her executor, and his or her heirs,
 for or against the said estate as the same shall
 be dated the 28th day of June, A. D. 1810,
 and shall be made payable to the said estate
 September, A. D. 1810, and shall be paid to the
 estate from the first day of September, A. D.
 1810, at the rate of seven per cent per annum
 and, payable on the first day of each year
 of March and August for each year, until
 the principal and interest shall be paid in full
 and that the principal and interest shall be
 of the said bonds shall be paid to the said
 Government for and on behalf of the said
 Government may be a part of the said
 and United States of America, and shall be
 United to retain the same for the use
 of or State of Massachusetts, and shall be
 to pay the same.

"RESOLVED, That the interest on the
 form of the said bonds:

REGISTERED BOND.

No.

\$1,000.

UNITED STATES OF AMERICA,

STATE OF PENNSYLVANIA.

Seven Per Cent. Loan. Secured by Mortgage.

THE LEHIGH VALLEY RAILROAD COMPANY.

The Lehigh Valley Railroad Company
 acknowledge themselves indebted to
 of . . . h...executors, administrators
 or assigns, in the sum of One thousand Dol-
 lars, (\$1,000,) lawful money of the United
 States of America, which sum the said Compa-
 ny promise to pay to the said . .
 h...executors, administrators or assigns, at
 the office of the Company, in the City of
 Philadelphia, on the first day of September,
 A. D. 1910, with interest thereon from the
 first day of September, A. D. 1870, at the
 rate of seven per centum per annum, payable
 semi-annually, on the first day of the months
 of March and September in each year, until
 the principal sum of this bond shall become
 due and payable.

1900

No.

UNITED STATES OF AMERICA

DEPARTMENT OF JUSTICE

Severely for Genl. In the

THE IRISH VILLAGE

The Irish Village

acknowledged themselves

of

or

Irish, (\$1,000)

States of America,

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... ..

the office of the

Philadelphia, on the

A. T. 1910, which

first day of

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due and payable.

The principal and interest of this bond are payable without deduction for any tax or taxes which the Company may by any present or future laws of the United States or the State of Pennsylvania be required to retain therefrom for National or State purposes--the Company hereby agreeing to pay the same.

This bond is one of a series of six thousand (6,000) bonds for the sum of one thousand dollars (\$1,000) each, secured by a Mortgage of even date herewith, duly recorded, of the railroads, estates real and personal, and franchises therein mentioned, duly authorized, and executed and delivered by the said Company to the Girard Life Insurance Annuity and Trust Company of Philadelphia, IN TRUST to secure the payment of the principal and interest of the said bonds.

Transferable by the holder hereof only, in person or by attorney duly authorized, upon the books of the Company, at their office in the City of Philadelphia, or at any other place they may designate:--a certificate of every such transfer to be endorsed hereon.

[illegible]

and interest of the said bond.

Herndon.

IN WITNESS WHEREOF the said Company have caused these presents to be sealed with their corporate seal, duly attested, at Philadelphia, this 20th day of June, A. D., one thousand eight hundred and seventy, (1870.)

Attest:President,

.....Treasurer.

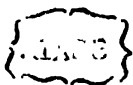
SEAL.

United States Internal Revenue
Stamps
On Mortgage.

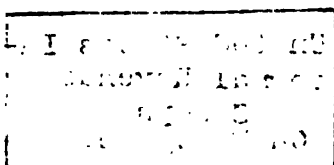
AND WHEREAS, it was then further RESOLVED, That to secure the payment of the principal and interest of the said bonds, the party hereto of the first part should make, execute and deliver to the party hereto of the second part, as mortgagees in trust, this present indenture of mortgage, the form of which was then approved and adopted.

AND WHEREAS, it was then further RESOLVED, That the corporate seal of the party of the first part should be affixed, by their President or Vice-President, to each of the said six thousand (6,000) bonds, and that the same should be duly attested by the signa-

IN WITNESS WHEREOF the said Board of Directors
caused these presents to be signed by its
corporate seal, duly attested, and signed by
this 22nd day of January, 1911, at New York
and filed for record and return to the State of New York.



Attest:
.....



AND WHEREAS, it was found that the
said Board of Directors, at its meeting
held on the 17th day of January, 1911,
did resolve that the said Board of Directors
should execute and deliver to the
said Secretary of the Department of Justice,
a copy of the said resolution, and that
the said Secretary of the Department of Justice
should cause the same to be filed for record
and return to the State of New York.
AND WHEREAS, it was found that the
said Board of Directors, at its meeting
held on the 17th day of January, 1911,
did resolve that the said Board of Directors
should cause the same to be filed for record
and return to the State of New York.
AND WHEREAS, it was found that the
said Board of Directors, at its meeting
held on the 17th day of January, 1911,
did resolve that the said Board of Directors
should cause the same to be filed for record
and return to the State of New York.

tures of the President or Vice-President and Treasurer of the party of the first part, and that the said President be, and he was thereby authorized to affix the corporate seal of the party of the first part (to be duly attested by their Secretary,) to this mortgage, and to acknowledge and deliver the same as the act and deed of the party hereto of the first part, and have the same duly recorded.

AND WHEREAS, it was then further RESOLVED, That a certificate in the form following, should be placed on each of the said bonds:

"This bond is one of those secured by a Mortgage, duly recorded, of the railroads, estate real and personal, and franchises therein mentioned, of the Lehigh Valley Railroad Company, dated the 30th day of June, A. D. 1870, duly authorized, and executed and delivered by the said Company to the Girard Life Insurance, Annuity and Trust Company of Philadelphia; the Trustees therein named, to secure the payment of the principal and interest of bonds of the said Company.

three of the President or Vice-President and
Treasurer of the party of the first part, and
that the said President be, and he was there-
by authorized to affix his signature and seal to
the copy of the first part (to be duly at-
tested by three witnesses,) to this instrument,
and to acknowledge and deliver the same as
the act and deed of the party hereto of the
first part, and have the same duly recorded.

AND WHEREAS, it was also in and to be
SOLVED, that a certificate in the form fol-
lowing, should be placed on each of the said
bonds:

"This bond is one of a series secured by
"Mortgage, duly recorded, of the following
"estate real and personal, and fixtures
"therein mentioned, of the First National
"Railroad Company, dated the 28th day of
"June, A. D. 1890, duly acknowledged and ex-
"ecuted and delivered by the said Company
"to the Girard Life Insurance Association
"Trust Company of Philadelphia, the said
"trust therein named, as agent and agent
"of the principal and release of bonds of
"the said Company.

(All of which by reference to the Minutes of the said meeting will fully appear.)

NOW, THIS INDENTURE WITNESSETH, That the said party of the first part, as well in consideration of the premises, and for the securing the payment of the said bonds as to be forthwith made and executed for the sum of six million dollars (\$6,000,000), together with the interest which will accrue thereon, and the taxes upon the principal and interest of the said bonds, agreed to be paid by the said party of the first part, as therein and herein mentioned, as of the sum of one dollar, lawful money of the United States, unto them, well and truly paid by the said party of the second part, at the time of the execution hereof, the receipt whereof is hereby acknowledged. HAVE granted, bargained, sold, aliened, conveyed, released and confirmed, assigned, transferred and set over, and by these presents, in pursuance and execution of the power and authority in them vested by the said recited resolutions, and of the Act of Assembly aforesaid, and of all

(All of which are referred to in the report of

the said meeting with the said Board.)

NOW THIS INDENTURE WITNESSETH, that the

said party of the first part, as well as the

signatures of the said party of the first part,

confirm the payment of the said debt and the

forthwith made and exacted from the said

six million dollars (\$6,000,000), the sum of

with the interest thereon, all moneys due and

and the taxes upon the principal of the said

part of the said bonds, and the said party of

the said party of the first part, as well as the

and certain moneys, as of the said party of

folio; and the money of the said party of

into them well and truly paid to the said

party of the second part, as of the said party

execution thereof, the receipt of which is

herby acknowledged, with the said party of

said, signed, sealed, and delivered, in

presence, assisted, and witnessed by

and by those persons, as of the said party

of the power and authority of the said

vested by the said party of the first part, and

of the Act or Acts in that behalf made, and of all

and every power and authority in them in any-
wise vested and in this behalf enabling, DO
grant, bargain, sell, alien, enfeoff, re-
lease, and confirm, assign, transfer and set
over unto the said party hereto of the sec-
ond part, and their successors; all the rail-
roads of the party of the first part, viz.,
the main line extending from Phillipsburg, on
the Eastern bank of the River Delaware, op-
posite the town of Easton in the County of
Northampton, in the State of Pennsylvania, to
Wilkesbarre in the County of Luzerne, in the
same State; the Beaver Meadow branch, ex-
tending from Penn Haven Junction, on the said
Main line, in the County of Carbon, to
Audenried in the said County of Carbon in
the same State; the Lehigh and Mahanoy branch,
extending from Black Creek Junction, on the
said Beaver Meadow branch, in the County of
Carbon, to Mount Carmel in the County of
Northumberland, in the same State; the Hasle-
ton branch, from Penn Haven in the County of
Carbon, to and beyond Hasleton in the County
of Luzerne; and the Lehigh Luzerne branch,

and every power and authority in and to the
 wise vested and in this behalf enabling. No
 Grant, be given, sell, give, or
 lease, and confirm, grant, transfer and
 over unto the said party before of the sec-
 ond part, and their successors, all the whol-
 roads of the party of the first part, viz.,
 the main line extending from Philadelphia, to
 the Eastern part of the River Delaware, op-
 posite the town of Roston in the County of
 Northampton, in the State of Pennsylvania, to
 Wilkesbarre in the County of Luzerne, in the
 same State; the Beaver Meadow branch, ex-
 tending from Penn Haven Junction, on the main
 main line, in the County of Carbon, to
 Audenried in the said County of Carbon;
 the same State; the Lehigh and Mahoning
 extending from Black Creek Junction, on the
 said Beaver Meadow branch, in the County of
 Carbon, to Mount Carmel in the County of
 Northumberland, in the same State; the Lehigh
 ton branch, from Penn Haven Junction in the County of
 Carbon, to and beyond Tinton in the County
 of Luzerne; and the Lehigh Junction branch,

from the Hazleton branch, in the County of Luzerne, to All Innesville in the same County, in the said State; Together with all branches, extensions, siding and turnouts of the said railroads and each of them, now belonging to, or which may hereafter be constructed by the said party of the first part; and all lands, rights of way, rails, bridges, wharves, fences, workshops, machinery, stations, offices, depots, depot-grounds, engine-houses, buildings, improvements, tenements and hereditaments, now owned by the party of the first part and used for the purpose of operating the said railroads, or any of them, or which may hereafter be required by the said party of the first part, and be used for the said purpose; Together with all the rolling stock, tools, implements and materials now belonging, or which may hereafter belong to the party of the first part, and now or hereafter in use, or intended for use upon the said railroads or any of them, or in connection with the proper equipment and operation of the same; Together with all and

from the Western branch, in the County of
 Luzerne, to Minneapolis in the State of
 in the said State; Together with all
 extensions, additions and turnouts of the said
 railroad and each of them, now being
 on which may hereafter be constructed by the
 said party of the first part; and all lands,
 rights of way, rails, bridges, tunnels,
 fences, workshops, machinery, structures, of-
 fices, depots, depot-grounds, water-courses,
 buildings, improvements, franchises and other
 appurtenances, now owned by the party of the
 first part and used for the purpose of op-
 erating the said railroad, or any of them,
 on which may hereafter be acquired by the
 said party of the first part, and be used for
 the said purpose; Together with all the right
 in the stock, tools, implements and other
 now belonging, or which may hereafter belong
 to the party of the first part, and now or
 hereafter in use, or intended for use, of
 the said railroad or any of them, or in con-
 nection with the proper equipment and ex-
 tension of the same; Together with all and

singular, the corporate rights, privileges and franchises of the said party of the first part, acquired or to be acquired, connected with, or relating to the said railroads or any of them; and together with all the streets, ways, alleys, passages, waters, water-courses, easements, rights, liberties, privileges, hereditaments and appurtenances whatsoever unto any of the hereby granted and mentioned premises and estates belonging and appertaining, or to belong and appertain; and the reversions and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, claim and demand of every nature and kind whatsoever, of the said party of the first part, as well at law as in equity of, in and to the same, and every part and parcel thereof:

TO HAVE AND TO HOLD the same with the appurtenances, unto the party hereto of the second part, and their successors to and for their only use and behoof; BUT IN TRUST, NEVERTHELESS, for the use, benefit and se-

and the company shall, notwithstanding
 the fact that the said party or parties
 are, according to the said deed, considered
 as being the sole owners of the
 land of them; and as being the sole
 owners, as, also, passengers, water, and
 other, rights, privileges, and
 franchises and appurtenances, and
 as to any of the hereby granted and
 promised and estates, interests, and
 rights, as to before and after the
 vesting and remaining, as to, and as to
 profits the said, and all the said, rights,
 title, interest, property, claim and demand
 of every nature and kind whatsoever, of the
 said party of the first part, as well as to
 as in equity of, in and to the said, and to
 every part and parcel thereof:
 TO HAVE AND TO HOLD the same with the
 appurtenances, unto the party or parties of the
 second part, and their successors to and to
 their only use and behoof; and to
 NEVER RE-ENTER, for the use, benefit and use

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curity as hereinafter mentioned, of the several persons, their respective successors, executors, administrators and assigns, who shall be or become the holders of the said bonds to the amount of six millions of dollars, (\$6,000,000,) as aforesaid, intended to be hereby secured, or any of them, subject to the right of the party of the first part, and their successors and assigns, to retain the free and uncontrolled use, enjoyment, possession and management of the premises hereby granted, or intended so to be, until the said party of the second part are authorized to enter upon and take possession of, or sell the same, as hereinafter set forth.

AND IT IS HEREBY EXPRESSLY COVENANTED, AGREED AND UNDERSTOOD by and between the parties hereto, (the said party of the first part covenanting as well for themselves as their successors and assigns, and the said party of the second part covenanting as well for themselves as their successor or successors in the trust), in manner following, viz.:

equity as hereinafter mentioned, of the same
 said persons, their respective successors,
 executors, administrators and assigns, who
 shall be or become the holders of the said
 bonds to the amount of six millions of dol-
 lars, (\$6,000,000), as aforesaid, intended
 to be hereby secured, on any of them, as to
 to the right of the party of the first part,
 and their successors and assigns, to retain
 the free and uncontrolled use, enjoyment,
 possession and management of the premises
 hereby granted, or intended so to be, until
 the said party of the second part and his
 heirs, assigns and legal representatives
 shall, or sell the same, as hereinafter set
 forth.

AND IT IS HEREBY EXPRESSED GOVERNMENT.

AGREED AND UNDERSTOOD BY AND BETWEEN THE
 parties hereto, (the said party of the first
 part covenanting as well for themselves as
 their successors and assigns, and the said
 party of the second part covenanting as well
 for themselves as their successors and assigns,
 in the manner following:

FIRST. That they, the party of the first part, will punctually pay to the holders of the bonds aforesaid intended to be hereby secured or any that may be issued and accepted in lieu, renewal or substitution of the same respectively, the interest thereon semi-annually, as the same shall become due and payable according to the terms in the said bonds contained, and on the days therein respectively mentioned for the payment of the same, and shall and will also on the days and times mentioned in the said bonds respectively, or whenever the said principal sums of the said bonds shall, according to the provisions hereof, become due and payable, fully and entirely pay off and satisfy as aforesaid the whole of the said bonds, principal and interest, without further delay, and without deduction from either said principal or interest for any tax or taxes which the said party of the first part may by any present or future laws of the United States or the State of Pennsylvania be required to obtain therefrom for National or State pur-

14-15
possess the said party of the first part hereby agreeing to pay the same.

SECOND. That if the party of the first part hereto, their successors or assigns, shall at any time hereafter, after demand made, make default, or refuse, neglect or omit for any period exceeding six months, to pay the semi-annual interest on the bonds intended to be hereby secured, or any of them, or shall, after demand made, make default, or refuse, neglect or omit for any period exceeding six months, to pay the principal sum of cash and all of the said bonds intended to be hereby secured, or any of them, when and as the same become due and payable; then, and in either such case, the said trustees or trustees for the time being, shall and will, upon the written request of holders of one-fourth in amount of the said bonds then outstanding, enter upon and take possession of the lands, estates real and personal, and premises hereby mortgaged or agreed or intended to be, and shall and will thereupon exercise, use, manage and control the said

for approval to pay the same.

RECORDED. T. A. L. FILED BY

Let it be noted, their successors, their

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operated new station. This station

railroads, estates real and personal, and
promises, possession of which may be so taken,
to the best advantage, and appropriate the
net income and proceeds derived therefrom,
(after deducting the expenses of this trust,
and such sum or sums as may be sufficient to
indemnify the trustees or trustee for the
time being, against any liability, loss or
damage for or on account of any matter, or
thing done by them or him in good faith, in
pursuance of their or his duty as trustees
or trustee,) to the payment in full, without
giving preference, priority or distinction
to one bond over another, first, of the in-
terest due on, and, secondly, of the princi-
pal of all of the aforesaid bonds then out-
standing and intended to be hereby secured,
in full, if the said income and proceeds be
sufficient, but if not, then pro rata: or the
said trustee or trustee shall and will after,
or without, entering upon or taking such
possession, upon the written request of hold-
ers of a like amount of said bonds then out-
standing, proceed to sell the railroads, es-

railroads, estates real and personal, and
 premises, possession of which may be retained
 to the best advantage, and appropriate to
 net income and proceeds derived therefrom,
 (after deducting the expenses of this trust,
 and such sum or sums as may be authorized to
 indemnify the trustees or trustee for, at
 time being, against any liability, loss or
 damage for or on account of any interest, or
 thing done by them or him in good faith, in
 pursuance of their or his duty as trustees
 or trustee,) to the payment in full, with
 giving preference, priority or distinction
 to one bond over another, first, of the in-
 terest due on, and, secondly, of the prin-
 cipal of all of the aforesaid bonds then out-
 standing and intended to be hereafter secured,
 in full, if the said income and proceeds be
 sufficient, but if not, then pro rata on the
 said trustees or trustee shall and will elect
 or without, entering upon or taking such
 possession, upon the written request or hold-
 ers of a like amount of said bonds then out-
 standing, proceed to sell the railroads, es-

tates real and personal, corporate rights and franchises, and premises hereby mortgaged, or agreed or intended so to be, to the highest and best bidder, at public sale, in the City of Philadelphia, (first giving at least three months' notice of such intended sale by publication, to be made twice in each week, in at least two daily newspapers published in the said City of Philadelphia and in the City of New York,) and grant and convey the same to the purchaser or purchasers, freed from all and every the trusts hereby created, and without liability to see to the application of the purchase-money; and shall and will appropriate the purchase-money, after deductions made for expenses of the trust, and indemnity to the trustees or trustee as aforesaid, to the payment as aforesaid, first of the interest due on, and secondly, of the principal of the said outstanding bonds, in full, if said purchase-money be sufficient, but if not, then pro rata; and in the event of there being in the hands of the said trustees or trustee any portion of the trust

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... principal of the ...
... full, if said purchase-money ...
... but if not, then pro rata; and in the event ...
... of there being in the hands of the said ...
... trustees or trustee any portion of the trust

estate, or the proceeds thereof, after the payment in full of the principal and interest of the aforesaid bonds, then the said trustee or trustee shall reconvey, retransfer, or pay over the same to the party of the first part, their successors or assigns, for the sole use and benefit. IT BEING DISTINCTLY UNDERSTOOD AND AGREED That in the event of any such entry upon or taking possession of the railroads, estates real and personal, and premises hereby mortgaged, or agreed or intended so to be, or in the event of any sale thereof by the said trustees or trustee for the time being, as hereinbefore mentioned, then and in either such case, the whole principal sum of cash and all of the said bonds then outstanding and intended to be hereby secured, shall forthwith become due and payable.

THIRD. That it shall and may be lawful for the said party of the first part, their successors or assigns, by and with the consent and approval in writing of the said trustees or trustee for the time being, at

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Any time or times hereafter, to exchange for other property, or to sell any part of the hereby mortgaged estates and premises, free and clear from the lien or incumbrances of these presents, and to convey the same, without liability on the part of the grantee for the disposition made of the purchase money, or of the property received in exchange by the party of the first part: PROVIDED HOWEVER, That the proceeds of any sale so made shall be invested by the said party of the first part, either in the improvement of any remaining part of the mortgaged premises: or in the purchase of other property, real or personal, which property so purchased, as also any that may be acquired in exchange as aforesaid, by the party of the first part, shall be subject to all the trusts (including that of sale or exchange) hereby declared of the property described in this indenture, and shall be conveyed in mortgage by the party of the first part to the said trustees or trustee for the time being, to be so held: or in the purchase of bonds hereby secured, which

and this on the 1st day of June, 1900, he executed the
other property, on the 1st day of June
he executed the 1st day of June, 1900, he executed the
and after that the 1st day of June, 1900, he executed the
these presents, and to convey, sell, assign, transfer, and
the title to the same of the 1st day of June, 1900, he executed the
the disposition made of the 1st day of June, 1900, he executed the
on of the property, received in exchange for
the result of the 1st day of June, 1900, he executed the
E.S., that the proceeds of the 1st day of June, 1900, he executed the
shall be the result of the 1st day of June, 1900, he executed the
first part, either in the 1st day of June, 1900, he executed the
remaining part of the 1st day of June, 1900, he executed the
in the purchase of the 1st day of June, 1900, he executed the
personal, which property he executed the 1st day of June, 1900, he executed the
also any that may be received in exchange for the 1st day of June, 1900, he executed the
thereof, by the party of the 1st day of June, 1900, he executed the
shall be subject to all the terms and conditions of the 1st day of June, 1900, he executed the
that of sale or exchange (hereof) the 1st day of June, 1900, he executed the
the property described in the 1st day of June, 1900, he executed the
shall be conveyed to the 1st day of June, 1900, he executed the
of the first part of the 1st day of June, 1900, he executed the
trusts for the 1st day of June, 1900, he executed the
in the purchase of bonds for the 1st day of June, 1900, he executed the

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bonds so purchased shall be forthwith cancelled and delivered to the party of the second part.

FOURTH. That in the event of the resignation, neglect, refusal or incapacity to act, of the trustees herein named, or any successor or successors in the trust, then the party of the first part hereto shall have full power and authority to nominate and appoint a new trustee or trustees, for the purpose of filling the vacancy so caused and supplying the place of such trustee or trustees, so resigning, neglecting, refusing or becoming incapable to act; and the said trustee or trustees so nominated and appointed, shall take upon himself or themselves the same trusts, and have the same powers, and be subject to all the stipulations and conditions of this indenture; and which trusts, powers, stipulations and conditions it is hereby agreed and declared shall extend to and be performed and executed by such newly appointed trustee or trustees as they can or may or could or might be by the party named

being so purchased a bill of exchange shall be
called and delivered to the party of the
second part.

FOURTH. That in the event of the
trustee, trustee, or any of the trustees
of the trust herein named, or any of the
trustees or assignors in the said bill, shall
the party of the first part hereunto signed
have full power and authority to cause to be
appointed some trustee or trustees, for the
purpose of filling up a bill of exchange
applying the line of credit to the
trustee, or trustee, or trustee, or trustee,
or trustee, or trustee, or trustee, or trustee,
on behalf of the said bill of exchange
trustee or trustee or trustee or trustee or
ed, shall take upon himself or herself
the said trustee, and give a bill of exchange
be subject to all the conditions and
conditions of this bill of exchange, and
powers, stipulations and conditions, and in
herby entered and declared shall extend to
and be performed and executed by the said
appointed trustee or trustee or trustee or trustee
may or could or might be by the party named

herein as party of the second part; and the like nomination and appointment shall and may be made and carried into effect in like manner, and as often, from time to time, as there may be occasion therefor, and with the same effect as before mentioned.

FIFTH. And it is hereby further covenanted and agreed, as aforesaid, and this trust is accepted upon the express condition, that the said trustees shall not, nor shall any future trustees or trustee, incur any liability or responsibility whatever in consequence of permitting or suffering the said party of the first part to retain or be in possession of the railroads, estates and premises hereby mortgaged, or agreed or intended so to be, or any part thereof, and to use and enjoy the same; nor shall the said trustees, or any future trustees or trustee, be or become responsible or liable for any destruction, deterioration, loss, injury or damage which may be done or occur to the railroads and estates hereby mortgaged, or agreed or intended so to be, either by said

herein as party of the second part; and the
 like nomination and appointment shall and may
 be made and carried into effect in like man-
 ner, and as often, from time to time, as
 there may be occasion therefor, and with the
 same effect as before mentioned.

FIFTH. And it is hereby further gov-
 erned and agreed, as aforesaid, and this
 trust is accepted upon the express condition,
 that the said trustees shall not, nor shall
 any future trustees or trustee, incur any
 liability or responsibility whatever in con-
 sequence of permitting or suffering the said
 party of the first part to retain or be in
 possession of the real estate, estates and
 premises hereby mortgaged, or agreed to be
 mortgaged, or to be, or to hold, and so
 use and enjoy the same; nor shall the said
 trustees, or any future trustee or trustees,
 be or become responsible or liable for any
 destruction, deterioration, loss, injury or
 damage which may be done or occur to the said
 roads and estates hereby mortgaged, or
 agreed or intended so to be, either by said

party of the first part, or their agents or servants, or by any other person or persons whomsoever; nor shall any such trustees or trustee, present or future, be in any way responsible for the consequences of any breach on the part of the party of the first part, of any of the covenants herein contained, nor of any act of said party of the first part, their agents or servants; nor shall the said trustees or trustee, present or future, be or become liable or responsible for any cause, matter or thing, except their or his own wilful and intentional breaches of the trusts herein expressed and contained:

PROVIDED ALWAYS, NEVERTHELESS, That if the party of the first part, their successors or assigns, shall and do well and truly pay, or cause to be paid, unto the person or persons, bodies politic or corporate, who shall become holders of the bonds intended to be secured hereby, the several and respective sums expressed therein, on the day and time hereinbefore mentioned for payment

party of the first part, or their agents or
servants, or by any other person or persons
whomsoever; nor shall any such trustee or
trustees, present or future, be in any way

responsible for the consequences of any
breach on the part of the party of the first

part, of any of the covenants herein con-
tained, nor of any act of said party of the

first part, their agents or servants; nor
shall the said trustees or trustees, present

or future, be or become liable or respon-
sible for any cause, matter or thing, ex-

cept their or his own willful and intention-
al breaches of the trusts herein expressed

and contained:

PROVIDED ALWAYS, WHEREAS, That if

the party of the first part, their execu-
tors or assigns, shall and do well and truly

pay, or cause to be paid, unto the person or
persons, bodies politic or corporate, who

shall become holders of the bonds hereinaforesaid
to be secured hereby, the several and re-

spective sums expressed therein, on the day
and time hereinaforesaid mentioned for payment

thereof, together with the lawful interest for the same, according to the provisions of the said recited obligations or bonds, or in accordance with the provisions hereof, without any fraud or further delay, then and from thenceforth, as well this present indenture, and the estate hereby, granted and conveyed, or hereby agreed so to be, as the said recited obligations, shall become void and of no effect, anything hereinbefore contained to the contrary thereof notwithstanding: and satisfaction shall be forthwith duly entered by the said trustees or trustee for the time being, upon the record of this indenture of mortgage.

IN WITNESS WHEREOF, the said The Lehigh Valley Railroad Company have hereunto affixed their common or corporate seal, and the President of the said Company, by virtue of the authority vested in him, has hereunto affixed his signature, and the Secretary of the said Company has duly attested the ex-

themselves, together with the lawful interest
for the same, according to the provisions of
the said recited obligation or bonds, or in
accordance with the provision hereof, with-
out any fraud or further delay, then and there
thenceforth, as well this present instrument,
and the estate hereby granted and conveyed,
or hereby agreed so to be, as the said re-
cited obligations, shall become void and of
no effect, any and all provisions to the contrary
therein contained notwithstanding.

IN WITNESS WHEREOF, the said parties have hereunto
set their hands and seals, at the City of New York,
this 10th day of January, 1900.

Valley Railroad Company, by its President,
fixed their common seal, and the said
President of the said Company, in and to the
the authority vested in him, has hereunto set
his hand and seal, and the Board of Directors
of the said Company has duly authorized the ex-

execution hereof, this the day and year first
aforesaid,

Sealed and delivered in
presence of us, (United
States Internal Revenue
Stamps to the amount of
Six thousand dollars,
(\$6,000,) being first
affixed and cancelled.)

ASA PACKER,
Pres't.

Seal
L. V. R. R. Co.

W. C. Alderson,
Ben. Blanchard.

Attest:
JNO. R. FANSHAW,
Secretary.

THE GIRARD LIFE INSURANCE, ANNUITY AND
TRUST COMPANY OF PHILADELPHIA, do hereby ac-
cept the foregoing Trust. IN WITNESS WHEREOF,
the said Company have caused their corpor-
ate seal to be hereunto affixed, duly attest-
ed, this 29th day of June, A. D. one thou-
sand eight hundred and seventy, (1870).

Signed and sealed in
the presence of us,

THOS. RIDGMAN,
Pres't.

J. Chamberlain,
Chas. O. Greome. Attest:
mentioned, and

Seal
G. L. I., A. &
T. Co. of Phila.

W. H. STOVER,

Ass't. Treasurer.

United States Internal Revenue Stamps
Six thousand dollars.

section hereto, this the day and year first

for said.

ASA PLOWMAN,

Pres't.

Seal

I. V. A. R. Co.

Sealed and delivered in
presence of us, (United
States Internal Revenue
Stamps to the amount of

Six thousand dollars,

(\$3,000.) being first

affixed and cancelled.)

W. C. Alderson.

Ben. Blanchard.

Attest:

THO. R. WILSON,

Secy.

THE GIRARD LIFE INSURANCE, ANNUAL AND

TRUST COMPANY OF PHILADELPHIA, do hereby ac-

cept the foregoing Trust. In witness whereof,

the said Company have caused their company-

ate seal to be hereunto affixed, duly attested

ed, this 29th day of June, A. D. one thou-

sand eight hundred and seventy, (1870).

THO. R. WILSON,

Pres't.

Seal

I. V. A. R. Co.
of Phila.

Attest:

W. C. Alderson,

Secy.

United States Internal Revenue Stamps
Six thousand dollars.

Signed and sealed in
the presence of us,

I. Chamberlain,

Chas. O. Grooms.

CITY OF PHILADELPHIA,)
: SS.
STATE OF PENNSYLVANIA,)

BE IT REMEMBERED, That on this 29th day of June, A. D. one thousand eight hundred and seventy (1870); before me, the subscriber, one of the Aldermen in and for said City, personally came and appeared Asa Packer, Esquire, President of the foregoing-named corporation, The Lehigh Valley Railroad Company, who being duly sworn, deposes and says: That he was personally present at the execution of the foregoing Indenture of Mortgage, and did affix the common or corporate seal of the said corporation, The Lehigh Valley Railroad Company, thereto, and that the seal so affixed is the common or corporate seal of the said The Lehigh Valley Railroad Company; and that the foregoing Indenture of Mortgage was duly signed, sealed and delivered by and as and for the act and deed of the said The Lehigh Valley Railroad Company, for the uses and purposes therein mentioned, and that the signature of this

BE IT REMEMBERED, That on the 1st day of June, A. D. one thousand eight hundred and seventy (1871), before me, the undersigned, one of the Aldermen in and for said City, personally came and appeared Asa Becker, Esquire, President of the foregoing-named corporation, The Lehigh Valley Railroad Company, who being duly sworn, deposed and says: That he was personally present at the execution of the foregoing Instrument of Mortgage, and did affix the seal of the said corporation, The Lehigh Valley Railroad Company, thereto, and that the seal so affixed is the common seal of the said corporation, and that the seal of the said The Lehigh Valley Railroad Company; and that the Mortgage deed of the said The Lehigh Valley Railroad Company, for the uses and purposes therein mentioned, and that the instrument of this

deponent to the said Indenture of Mortgage,
as President of the said Corporation, is of
this deponent's own proper handwriting.

Sworn and subscribed before me,
this the day and year aforesaid.

Witness my hand and seal.

W. W. Dougherty,
Alderman.

ASA PACHER,

Pres't.

SEAL

deponent to the said interest of the said
as President of the said Corporation, to be
this deponent's own knowledge.

Sworn and subscribed before me,
this the day and year aforesaid.

Witness my hand and seal.

W. W. Dougherty,
Alderman.



ALMA TUCKER

Prop't.

CITY OF PHILADELPHIA.)
: SS.
STATE OF PENNSYLVANIA.)

BE IT REMEMBERED, That on this 29th day of June, A. D. one thousand eight hundred and seventy (1870), before me, the subscriber, one of the Aldermen in and for said City, personally came and appeared, John R.

Panshawe, Esquire, Secretary of the foregoing-named corporation, The Lehigh Valley Railroad Company, who being duly affirmed according to law, deposes and says: That he was personally present at the execution of the foregoing Indenture of Mortgage, and saw Asa Packer, Esquire, President of the said corporation, sign, seal and deliver the said Indenture as his act and deed, and in pursuance of a resolution of the Board of Directors of the said Company, in the said Indenture recited, passed at a meeting of the said Board held on the fourteenth day of June, A. D., one thousand eight hundred and seventy (1870), by order and authority of the said Company, as the act and deed there-

BE IT REMEMBERED, That on this 2nd day

of June, A. D. one thousand eight hundred and seventy (1870), before me, the undersigned, one of the Justices in and for said City,

personally came and appeared, John F.

Farshaw, Esquire, Secretary of the Free-

ing-named corporation, The Liberty Bells

Railroad Company, who being duly sworn and

according to law, depose and say: That he

was personally present at the execution of

the foregoing Indenture of Incorporation, and saw

Asa Parker, Esquire, President of the said

corporation, sign, seal and deliver the said

Indenture as his act and deed, and in the pre-

sence of a resolution of the Board of Di-

rectors of the said Company, in the said In-

strument recited, passed at a meeting of the

said Board held on the fourteenth day of

June, A. D., one thousand eight hundred and

seventy (1870), by order and in pursuance of

the said Company, as the law and the custom thereof

of; and did also see him affix the seal of the said Company to the said Indenture of Mortgage, by virtue of the authority aforesaid vested in him, as the act and deed of the said Company; and that the name of this deponent subscribed to the said Indenture, as Secretary of the said corporation, in attestation of the due execution and delivery of the said Indenture, is of this deponent's own proper handwriting.

Affirmed and subscribed before
me, this the day and year first
aforesaid: Witness my hand and
seal.

JNO. R. FANSHAWE,
secretary.

W. W. DOUGHERTY;
Alderman.

SEAL.

of; and did also see and did also see the said
 the said Company to the said indenture of
 the said Company, by virtue of the said indenture of
 and vested in him, as the said indenture of
 the said Company; and that the said indenture of
 department submitted to the said indenture of
 Secretary of the said corporation, in the
 location of the said indenture, and delivery
 of the said indenture, in the said department,
 own proper handwriting.

{ Affirmed and subscribed before
 me, this the day and year first
 aforesaid. Witness my hand and
 seal.

{ W. W. DOUGHERTY.
 Attorney.

SEAL.

WHEATY & SONS,
BANKERS,
28 Nassau Street,
NEW YORK CITY.

Mortgage.

THE

LEHIGH VALLEY RAILROAD CO.

TO

THE FIDELITY INSURANCE, TRUST AND SAFE DEPOSIT
COMPANY, OF PHILADELPHIA.

In Trust.

6% 54 1/2%

DATED NOVEMBER 13th, A. D. 1873.

Je. 189.

Consolidated Mortgage

due 1897

" 1923

*annuity - irredeemable except in
event of default.*

P. H. reg.

Indenture, Made the thirteenth day of November, A. D. one thousand eight hundred and seventy-three (1873), BETWEEN **The Lehigh Valley Railroad Company**, of the first part, and **The Fidelity Insurance, Trust and Safe Deposit Company**, of Philadelphia, of the second part.

“WHEREAS, At a meeting of the board of directors of the party of the first part, duly called and held on the eleventh day of November, 1873, the following preamble and resolutions were adopted :—

“WHEREAS, By the third section of an act of the General Assembly of the Commonwealth of Pennsylvania, entitled ‘An act to extend the time for the completion of the part of the Lehigh Valley Railroad commenced under the laws relating to The Penn Haven and White Haven Railroad Company, and to authorize The Lehigh Valley Railroad Company to increase their stock, and to issue bonds, and secure the same by mortgage, and to build branches and inclined planes, and adopt a terminus,’ approved the third day of April, 1866 (and which act was duly accepted by the stockholders of the Company at a meeting duly called and held on the fourteenth day of January, 1867, as by reference to the minutes of the said meeting will appear), it was enacted as follows, viz. :—

“That to provide for the payment of the bonds of the said Company now maturing, and for such other purposes as they may deem needful, the board of

directors of the said Company are hereby authorized from time to time to issue the bonds of the said Company, payable at such time as they may appoint, to such amount as they may deem expedient, at a rate of interest not exceeding seven per cent. per annum; and to dispose of the same at such price, and in such way and manner, as they may determine; and to secure the payment of the principal and interest of the said bonds by one or more mortgages of the whole or any portion of the railroad, branches, property real and personal, and corporate rights and franchises of every nature whatsoever, acquired or to be acquired, of the said Company;

"AND WHEREAS, For the purpose of retiring the present outstanding obligations of the Company, and furnishing the means required to provide the additional facilities demanded by the greatly-increased business of the Company, and to enlarge the said business still further, it is, in the opinion of this board, needful to make and issue bonds of this Company to the amount of forty million dollars (\$40,000,000); therefore, be it

"*Resolved*, That for the purposes aforesaid, and in pursuance of the authority contained in the said act, and of all other authority them in that behalf enabling, this Company do execute and issue forty thousand (40,000) bonds, of which thirty thousand shall be respectively in such one of the three following forms of bonds, payable in lawful money of the United States, as the president of the Company may determine on issuing the same; and the remaining ten thousand shall be bonds payable either in sterling money of Great Britain or in gold coin of the United States, in the form hereinafter set out for bonds of such character; five thousand

of them to be designated as 'Class A,' and the remaining five thousand as 'Class B': *Provided, however,* That the president of the Company may issue bonds payable in lawful money of the United States, each of which shall be in one of the three forms aforesaid, in lieu of both or either of the said classes, if he shall deem it advisable."

No. I. COUPON BOND. \$1000.

UNITED STATES OF AMERICA.

STATE OF PENNSYLVANIA.

Consolidated Mortgage Loan.

THE LEHIGH VALLEY RAILROAD COMPANY.

THE LEHIGH VALLEY RAILROAD COMPANY acknowledge themselves indebted to THE FIDELITY INSURANCE, TRUST AND SAFE DEPOSIT COMPANY, OF PHILADELPHIA, or bearer, in the sum of one thousand dollars (\$1000), lawful money of the United States of America, which sum the said Company promise to pay to the said The Fidelity Insurance, Trust and Safe Deposit Company, or bearer, at the office of the Company, in the city of Philadelphia, on the first day of December, A. D. 1923, with interest thereon from the first day of December, A. D. 1873, at the rate of *six per centum per annum*, payable semi-annually, on the first day of the months of December and June in each year, on delivery of the proper coupon therefor, without deduction for any tax or taxes on the principal or interest which the Company may, by any present or future laws of the United States or the State of Pennsylvania, be required to retain

therefrom for National or State purposes—the Company hereby agreeing to assume the payment thereof.

This bond is one of a series of forty thousand (40,000) bonds for the sum of one thousand dollars (\$1000) each, secured by a duly recorded mortgage, of even date herewith, of the railroads, estates real and personal, and franchises therein mentioned, executed and delivered by the said Company to the said The Fidelity Insurance, Trust and Safe Deposit Company, of Philadelphia, IN TRUST, to secure the payment of the principal and interest of the said bonds, of which a sufficient number is reserved to satisfy all prior mortgage obligations of the Company; and the amount of the said bonds issued is at no time to exceed the amount of the capital stock of the Company then outstanding.

It is agreed by and between the holder hereof and the Company, that if the former shall so elect, the Company shall and will, at any time within twenty years from the date hereof, upon the surrender of all coupons not then matured, stamp on the bond the words “Payment of principal postponed,” and affix the corporate seal of the Company thereto, and shall and will register the bond in the name of the then holder; and that when so stamped and sealed, the holder shall not be required to receive, nor the Company to pay, the principal of the bond until payment of the principal is demanded by the holder after default made in the payment of interest, but that interest shall continue to be payable as hereinbefore expressed, until the principal shall thus become due and payable; both principal and interest to be payable to the registered holder, and the bond to be transferable by the holder, in person or by attorney duly authorized, upon the books of the Company only, at

their office in the city of Philadelphia, or at any other place they may designate; and a certificate of every transfer to be endorsed hereon.

This bond is not to become obligatory upon the Company until the certificate endorsed hereon is signed by or for the trustees.

In Witness Whereof, The said Company have caused these presents to be sealed with their corporate seal, duly attested, at Philadelphia, this thirteenth day of November, A. D. one thousand eight hundred and seventy-three (1873).

Attest: _____, *President*.
 _____, *Secretary*.

[SEAL.]

COUPON.

<p>LEHIGH VALLEY RAILROAD COMPANY. THE BANK OF NORTH AMERICA, IN THE CITY OF PHILADELPHIA, Pay THIRTY DOLLARS, Interest due ——— 1st, 1—, on Bond No.— \$30. ———, <i>Treasurer</i>.</p>
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No. II. REGISTERED BOND. \$1000.

UNITED STATES OF AMERICA.

STATE OF PENNSYLVANIA.

Consolidated Mortgage Loan.

THE LEHIGH VALLEY RAILROAD COMPANY.

THE LEHIGH VALLEY RAILROAD COMPANY acknowledge themselves indebted to ———, of ———, his executors, administrators or assigns, in the sum of one thousand dollars (\$1000), lawful money of the United

States of America, which sum the said Company promise to pay to the said ———, h— executors, administrators or assigns, at the office of the Company, in the city of Philadelphia, on the first day of December, A. D. 1923. with interest thereon from the first day of ———, A. D. 1—, at the rate of six per centum per annum, payable semi-annually, on the first day of the months of December and June in each year, until the principal sum of this bond shall become due and payable.

The principal and interest of this bond are payable without deduction for any tax or taxes which the Company may, by any present or future laws of the United States or the State of Pennsylvania, be required to retain therefrom for National or State purposes—the Company hereby agreeing to assume the payment thereof.

This bond is one of a series of forty thousand (40,000) bonds for the sum of one thousand dollars (\$1000) each, secured by a duly recorded mortgage, of even date herewith, of the railroads, estates real and personal, and franchises therein mentioned, executed and delivered by the said Company to The Fidelity Insurance, Trust and Safe Deposit Company, of Philadelphia, IN TRUST, to secure the payment of the principal and interest of the said bonds, and is transferable by the holder hereof, in person or by attorney duly authorized, upon the books of the Company only, at their office in the city of Philadelphia, or at any other place they may designate, a certificate of every such transfer to be endorsed hereon.

A sufficient number of the said bonds is reserved to satisfy all prior mortgage obligations of the Company, and the amount of the said bonds issued is at no time

to exceed the amount of the capital stock of the Company then outstanding.

It is agreed by and between the holder hereof and the Company, that if the former shall so elect, the Company shall and will, at any time within twenty years from the date hereof, stamp on the bond the words "Payment of principal postponed," and affix the corporate seal of the Company thereto; and that when so stamped and sealed, the holder shall not be required to receive, nor the Company to pay, the principal of this bond until payment of the principal is demanded by the holder after default made in the payment of interest, but that interest shall continue to be payable as hereinbefore expressed, until the principal shall thus become due and payable.

This bond is not to become obligatory upon the Company until the certificate endorsed hereon is signed by or for the trustees.

In Witness Whereof, The said Company have caused these presents to be sealed with their corporate seal, duly attested, at Philadelphia, this thirteenth day of November, A. D. one thousand eight hundred and seventy-three (1873).

Attest: _____, *President*.
_____ , *Secretary*.

[SEAL.]

No. III. ANNUITY BOND. \$1000.

UNITED STATES OF AMERICA.

STATE OF PENNSYLVANIA.

Consolidated Mortgage Loan.

THE LEHIGH VALLEY RAILROAD COMPANY.

THE LEHIGH VALLEY RAILROAD COMPANY acknowledge themselves indebted to ———, of ———, h— executors, administrators or assigns, in the sum of one thousand dollars (\$1000), lawful money of the United States of America, on which principal sum they promise to pay interest, at the rate of six per centum per annum, to the said ———, h— executors, administrators or assigns, at the office of the Company, in the city of Philadelphia, on the first day of the months of December and June in each year, until the said principal sum shall become due and payable as hereinafter mentioned; and the said Company further promise to pay the said principal sum whenever and so soon as default is made in the payment of interest as aforesaid, and payment of the said principal sum is demanded by the holder hereof; it being understood and agreed that the holder hereof shall not be required to receive, nor shall the Company be required to pay the principal of this bond until such default shall have occurred and such demand shall have been made, and that both principal and interest shall be payable without deduction for any tax or taxes which the Company may, by any present or future laws of the United States or the State of Pennsylvania, be required

to retain therefrom for National or State purposes—the Company hereby agreeing to assume the payment thereof.

This bond is one of a series of forty thousand (40,000) bonds for the sum of one thousand dollars (\$1000) each, secured by a duly-recorded mortgage, of even date herewith, of the railroads, estates real and personal, and franchises therein mentioned, executed and delivered by the said Company to The Fidelity Insurance, Trust and Safe Deposit Company, of Philadelphia, IN TRUST, to secure the payment of the principal and interest of the said bonds, and is transferable by the holder hereof, in person or by attorney duly authorized, upon the books of the Company only, at their office in the city of Philadelphia, or at any other place they may designate; a certificate of every such transfer to be endorsed hereon.

A sufficient number of the said bonds is reserved to satisfy all prior mortgage obligations of the Company, and the amount of the said bonds issued is at no time to exceed the amount of the capital stock of the Company then outstanding.

This bond is not to become obligatory upon the Company until the certificate endorsed hereon shall have been signed by or for the trustees.

In Witness Whereof, The said Company have caused these presents to be sealed with their corporate seal, duly attested, at Philadelphia, this thirteenth day of November, A. D. one thousand eight hundred and seventy-three (1873).

Attest:

[SEAL.]

———, *President.*

———, *Secretary.*

IV. STERLING BOND.

CLASS A.

UNITED STATES OF AMERICA.

STATE OF PENNSYLVANIA.

Consolidated Mortgage Loan.

\$1000 Gold.	No.	£200 Sterling.
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THE LEHIGH VALLEY RAILROAD COMPANY.

THE LEHIGH VALLEY RAILROAD COMPANY acknowledge themselves indebted to THE FIDELITY INSURANCE, TRUST AND SAFE DEPOSIT COMPANY, OF PHILADELPHIA, or bearer, in the sum of two hundred pounds sterling, or one thousand dollars in gold coin of the United States of America, which sum they promise to pay to the bearer hereof on the first day of December, 1897, or upon the first day of December next succeeding the drawing of the number of this bond as hereinafter provided, either in British sterling money (£200), at the agency of the Company, in the city of London, or in gold coin of the United States of America (\$1000), at their office, in the city of Philadelphia, at the option of the bearer, with interest thereon from the first day of December, 1873, at the rate of six per cent. per annum, payable semi-annually, on the first day of the months of December and June in each year, on delivery of the annexed coupons when and as they shall respectively mature, as in the said coupons expressed, either in British sterling money, in the city of London,

or in gold coin of the United States, in the city of Philadelphia, without deduction, from either principal or interest, of any tax or taxes which the said Company may be required to retain therefrom by any present or future laws of the United States, or any of the States thereof—the Company hereby agreeing to assume the payment of all such taxes.

This bond is one of a series of forty thousand (40,000) bonds for the sum of one thousand dollars (\$1000) each, of which five thousand (5000), designated as "Class A," are of like tenor and date with these presents, and are payable either in British sterling money, at the rate of £200 for each \$1000, or in gold coin of the United States, as above expressed; all of the said forty thousand bonds being secured by a duly recorded mortgage, of even date herewith, of the railroads, estates real and personal, and franchises therein mentioned, executed and delivered by the said Company to the said The Fidelity Insurance, Trust and Safe Deposit Company, of Philadelphia, IN TRUST, to secure the payment of the principal and interest of the said bonds, of which a sufficient number is reserved to satisfy all prior mortgage obligations of the Company; and the amount of the said bonds issued is at no time to exceed the amount of the capital stock of the Company then outstanding.

The said mortgage further provides for an accumulative sinking fund for the redemption, at par, of all of the said five thousand bonds designated as "Class A," as they shall from time to time be drawn, for the drawing by lot annually of the bonds thus to be redeemed in the month of September in each and every year, beginning with the month of September, in the year 1874, at the agency of the Company, in the city of

London, by a notary public to be named by the said trustees, for giving notice of the numbers of the bonds thus drawn, and for payment on the first day of December following such drawing of each bond so drawn, when all further interest on the said bond shall cease.

The sinking fund thus provided for will be sufficient to redeem all of the said bonds within twenty-four years from the first day of December, 1873, as will be seen by reference to the table hereon endorsed, based on the issue of all the said bonds on the day of the date of these presents.

This bond is not to become obligatory upon the Company until the certificate endorsed hereon is signed by or for the trustees.

In Witness Whereof, The said Company have caused these presents to be sealed with their corporate seal, duly attested, at Philadelphia, this thirteenth day of November, A. D. one thousand eight hundred and seventy-three (1873).

———, *President.*

Attest:

[SEAL.]

———, *Secretary.*

COUPON.

THE LEHIGH VALLEY RAILROAD COMPANY

Will pay to bearer, on the first day of ———, SIX POUNDS British sterling money, at their agency, in the city of London, or, at the option of the bearer, THIRTY DOLLARS in gold coin of the United States of America, at their office, in the city of Philadelphia, being six months' interest on Bond No. —.

(Class A.)

———, *Treasurer.*

V. STERLING BOND.

CLASS B.

UNITED STATES OF AMERICA.

STATE OF PENNSYLVANIA.

Consolidated Mortgage Loan.

\$1000 Gold.	No.	£200 Sterling.
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THE LEHIGH VALLEY RAILROAD COMPANY.

THE LEHIGH VALLEY RAILROAD COMPANY acknowledge themselves indebted to THE FIDELITY INSURANCE, TRUST AND SAFE DEPOSIT COMPANY, OF PHILADELPHIA, or bearer, in the sum of two hundred pounds sterling, or one thousand dollars in gold coin of the United States of America, which sum they promise to pay to the bearer hereof on the first day of December, 1897, or upon the first day of December next succeeding the drawing of the number of this bond as hereinafter provided, either in British sterling money (£200), at their agency, in the city of London, or in gold coin of the United States of America (\$1000), at their office, in the city of Philadelphia, at the option of the bearer, with interest thereon from the first day of December, 1873, at the rate of six per cent. per annum, payable semi-annually, on the first day of the months of June and December, in each year, on delivery of the annexed coupons when and as they shall respectively mature, as in the said coupons expressed, either in British sterling money, in the city of London, or in gold coin of the United States, in the

city of Philadelphia, without deduction, from either principal or interest, of any tax or taxes which the said Company may be required to retain therefrom by any present or future laws of the United States, or any of the States thereof—the Company hereby agreeing to assume the payment of all such taxes.

This bond is one of a series of forty thousand (40,000) bonds for the sum of one thousand dollars (\$1000) each, of which five thousand (5000), designated as "Class B," are of like tenor and date with these presents, and are payable either in British sterling money, at the rate of £200 for each \$1000, or in gold coin of the United States, as above expressed; all of the said forty thousand bonds being secured by a duly-recorded mortgage, of even date herewith, of the railroads, estates, real and personal, and franchises therein mentioned, executed and delivered by the said Company to the said The Fidelity Insurance, Trust and Safe Deposit Company, of Philadelphia, IN TRUST, to secure the payment of the principal and interest of the said bonds, of which a sufficient number is reserved to satisfy all prior mortgage obligations of the Company; and the amount of the said bonds issued is at no time to exceed the amount of the capital stock of the Company then outstanding.

The said mortgage further provides for an accumulative sinking fund for the redemption, at par, of all of the said five thousand bonds, designated as "Class B," as they shall from time to time be drawn, for the drawing by lot annually of the bonds thus to be redeemed in the month of September in each and every year, beginning with the month of September in the year 1874, at the agency of the Company, in the city of London, by a notary public to be named by the said

trustees, for giving notice of the numbers of the bonds thus drawn, and for payment on the first day of December following such drawing of each bond so drawn, when all further interest on the said bond shall cease.

The sinking fund thus provided for will be sufficient to redeem all of the said bonds within twenty-four years from the first day of December, 1873, as will be seen by reference to the table hereon endorsed, based on the issue of all the said bonds on the day of the date of these presents.

This bond is not to become obligatory upon the Company until the certificate endorsed hereon is signed by or for the trustees.

In Witness Whereof, The said Company have caused these presents to be sealed with their corporate seal, duly attested, at Philadelphia, this thirteenth day of November, one thousand eight hundred and seventy-three (1873).

Attest:

_____, *President.*

[SEAL.]

_____, *Secretary.*

COUPON.

THE LEHIGH VALLEY RAILROAD COMPANY

Will pay to bearer, on the first day of _____, SIX POUNDS, British sterling money, at their agency, in the city of London, or, at the option of the bearer, THIRTY DOLLARS, in gold coin of the United States of America, at their office, in the city of Philadelphia, being six months' interest on Bond No. _____.

(Class B.)

_____, *Treasurer.*

AND WHEREAS, It was then further

Resolved, That to secure the payment of the principal and interest of the said bonds, the party hereto of the

first part should execute and deliver to the party hereto of the second part, as mortgagees in trust, this present indenture of mortgage, the form of which was then approved and adopted;

AND WHEREAS, It was then further

Resolved, That the corporate seal of the party of the first part should be affixed to each of the said forty thousand (40,000) bonds, and that the same should be attested by the signatures of the president or vice-president and secretary of the party of the first part, and that the said president should be authorized to affix the corporate seal of the party of the first part (to be attested by their secretary) to this mortgage, and to acknowledge and deliver the same as the act and deed of the party hereto of the first part, and have the same recorded;

AND WHEREAS, It was then further

Resolved, That twelve thousand of the said bonds, payable in lawful money of the United States, should be set apart and appropriated, either to be exchanged upon such terms as might be agreed upon for the present outstanding mortgage loans of the party hereto of the first part, as follows:—

The six per cent. bonds, payable June 1st, 1898, amounting to	\$5,000,000
The seven per cent. bonds, payable September 1st, 1910, amounting to	\$6,000,000

or to be sold for the purpose of providing the means required to purchase and retire or pay off the said recited bonds; and that the faith of the said party of the first part should be pledged that none of the said

twelve thousand bonds should be used for any other purpose until all the said present outstanding loans should have been paid or provided for ;

AND WHEREAS, It was then further

Resolved, That the president or vice-president of the party hereto of the first part should be authorized to make the said exchanges or sales and to apply the proceeds of such sales, as hereinbefore provided, at such time, in such manner, and upon such terms as he might deem advisable ; that the remaining twenty-eight thousand bonds should be disposed of by him at such time, in such manner, and upon such terms as he might deem expedient (provided that the amount of bonds issued should at no time exceed the amount of capital stock then outstanding) ; and that he should be authorized and required to stamp the words "Payment of principal postponed," and affix the corporate seal thereto, on any bond, whenever the holder of the same should, according to the terms thereof, be entitled, and should elect to have the said bond so stamped and sealed ;

AND WHEREAS, It was then further

Resolved, That a certificate in the form following should be placed on each of the said bonds, and signed by or on behalf of the trustees or trustee, for the time being, under the said mortgage, before the said bond is issued, and that no one of the said bonds should be issued without such certificate being signed :—

"This bond is one of those secured by a mortgage, duly recorded, of the railroads, estates real and personal, and franchises therein mentioned of The Lehigh Valley Railroad Company, dated the thirteenth day of November, A. D. 1873, duly authorized, and executed and delivered by the said Company to The Fidelity

Insurance, Trust and Safe Deposit Company, of Philadelphia, the trustees therein named, to secure the payment of the principal and interest of bonds of the said Company.

“ _____

“ _____.”

Provided, That after the execution of the said certificate upon the said twenty-eight thousand bonds, neither the said party hereto of the second part, nor their successor nor successors in the trust, should be authorized to execute the same upon any of the remaining twelve thousand bonds, until the said party of the first part should have produced and cancelled a proportionate number of the said outstanding bonds payable June 1st, 1898, and September 1st, 1910, respectively (that is to say, upon the production and cancellation of eleven of the said outstanding bonds the said certificate shall be executed upon twelve of the said twelve thousand bonds intended to be hereby secured, and in the same proportion for a greater or less amount).

[All of which, by reference to the minutes of the said meeting, will fully appear.]

Now this Indenture Witnesseth, That the said party of the first part, as well in consideration of the premises and for the securing the payment of the said bonds so to be forthwith made and executed for the sum of forty millions of dollars (\$40,000,000), together with the interest which will accrue thereon and the taxes upon the principal and interest of the said bonds, the payment whereof is agreed to be assumed by the said party of the first part, as therein and herein mentioned, as of the sum of

one dollar, lawful money of the United States, unto them well and truly paid by the said party of the second part at the time of the execution hereof, the receipt whereof is hereby acknowledged, HAVE granted, bargained, sold, aliened, enfeoffed, released and confirmed, assigned, transferred and set over, and by these presents, in pursuance and execution of the power and authority in them vested by the said recited resolutions and of the act of Assembly aforesaid, and of all and every power and authority in them in anywise vested and in this behalf enabling, DO grant, bargain, sell, alien, enfeoff, release and confirm, assign, transfer and set over unto the said party hereto of the second part and their successors, all the railroads of the party of the first part, viz. :—*The Main Line*, extending from Phillipsburg, in the State of New Jersey, on the eastern bank of the river Delaware, opposite the town of Easton, in the county of Northampton, in the State of Pennsylvania, to Wilkesbarre, in the county of Luzerne, in the same State; *The Beaver Meadow Branch*, extending from Penn Haven Junction, on the said main line, in the county of Carbon, to Audenried, in the said county of Carbon, in the same State; *The Lehigh and Mahanoy Branch*, extending from Black Creek Junction, on the said Beaver Meadow Branch, in the county of Carbon, to Mount Carmel, in the county of Northumberland, in the same State; *The Hazleton Branch*, extending from Penn Haven, in the said county of Carbon, through Hazleton, to Tomhicken, in the said county of Luzerne; and *The Lehigh Luzerne Branch*, extending from the Hazleton Branch, in the said county of Luzerne, to Milnesville, in the same county, in the same State (the said railroads, with their branches, turnouts and sidings,

amounting in the aggregate to four hundred and fifty-six and eight hundredths (456.08) miles of single-track railroad); together with all branches, extensions, sidings and turnouts of the said railroads, and each of them, now belonging to, or which may hereafter be constructed by or belong to the said party of the first part, in the said State of Pennsylvania; and all lands, rights of way, rails, bridges, wharves, fences, workshops, machinery, stations, offices, depots, depot-grounds, engine-houses, buildings, improvements, tenements and hereditaments now owned by the party of the first part and used for the purpose of operating the said railroads, or any of them, or which may hereafter be acquired by the said party of the first part and be used for the said purpose; together with all the rolling-stock, tools, implements and materials now belonging, or which may hereafter belong, to the party of the first part, and now or hereafter in use, or intended for use, upon the said railroads, or any of them, or in connection with the proper equipment and operation of the same; together with all and singular the corporate rights, privileges and franchises of the said party of the first part, acquired or to be acquired, connected with or relating to the said railroads, or any of them; and together with all the streets, ways, alleys, passages, waters, water-courses, easements, rights, liberties, privileges, hereditaments and appurtenances whatsoever unto any of the hereby granted and mentioned premises and estates belonging and appertaining, or to belong and appertain, and the reversions and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, claim and demand of every nature and kind whatsoever of the said party of the first part, as well at law as in equity, of, in and to

the same and every part and parcel thereof: To HAVE AND TO HOLD the same, with the appurtenances, unto the party hereto of the second part and their successors, to and for their only use and behoof, BUT IN TRUST, NEVERTHELESS, for the use, benefit and security, as hereinafter mentioned, of the several persons, their respective successors, executors, administrators and assigns, who shall be or become the holders of the said bonds to the amount of forty millions of dollars (\$40,000,000) as aforesaid, intended to be hereby secured, or any of them; SUBJECT to the right of the party of the first part, their successors and assigns, to retain the free and uncontrolled use, enjoyment, possession and management of the premises hereby granted, or intended so to be, until the said party of the second part are authorized to enter upon and take possession of or sell the same, as hereinafter set forth.

And it is hereby expressly covenanted, agreed and understood by and between the parties hereto (the said party of the first part covenanting as well for themselves as their successors and assigns, and the said party of the second part covenanting as well for themselves as their successor or successors in the trust) in manner following, viz.:—

First.—That they, the party of the first part, will punctually pay to the holders of the bonds aforesaid intended to be hereby secured, or any that may be issued and accepted in lieu, renewal or substitution of the same respectively, the interest thereon semi-annually, as the same shall become due and payable according to the terms in the said bonds contained, and on the days therein respectively mentioned for the payment of the same; and shall and will, also, on the days and times

mentioned in the said bonds respectively, or whenever the said principal sums of the said bonds shall, according to the provisions hereof, become due and payable, fully and entirely pay off and satisfy, as aforesaid, the whole of the said bonds, principal and interest, without further delay, and without deduction from either said principal or interest for any tax or taxes which the said party of the first part have, by the terms of the said bonds, agreed to assume in relief of the holders hereof respectively.

Second.—That all of the said bonds hereby secured, which by the terms thereof are payable in British sterling money or in gold coin of the United States of America, and are included in the class hereinbefore designated as “Class A,” shall be redeemed within twenty-four years from the first day of December, 1873, by an accumulative sinking fund of two per cent. per annum on the amount thereof; that is to say, that on the first day of December, 1874, the sum of one hundred thousand dollars (\$100,000) in gold coin, and annually thereafter on the first day of December of each successive year, the sum of one hundred thousand dollars (\$100,000) in gold coin, with the addition thereto of a sum equal to the interest which would have accrued during the preceding current year on all bonds previously drawn for redemption by the sinking fund, in accordance with the table of drawings hereinafter contained, shall be appropriated to the redemption of such of the said bonds as shall have been drawn for redemption as hereinafter provided, at the next preceding drawing; but if the number of outstanding bonds of the said class, from which the said drawings are to be made, shall at the dates of the said drawings, respectively, be less than would have resulted from the opera-

tion of the sinking fund upon the entire number (5000) of the said bonds if the said entire number had been issued on the day of the date of these presents, then the amount of the sinking fund to be appropriated for the redemption of the bonds thus to be drawn on the said respective dates of drawing shall be proportionately reduced; but no issue of bonds of the said class shall at any time be made in excess of the amount which would at the time have been outstanding if the entire number (5000) of the said bonds had been issued on the day of the date of these presents, and had been annually diminished by the application of the corresponding sinking fund (the operation of the sinking fund in such case being shown by the table of drawings hereinafter contained); the intention being that all bonds of the said "Class A" which may be issued shall be redeemed and extinguished not later than if all had been issued in the first instance on the day of the date of these presents, and the full amount of the sinking fund had been thenceforward applied to their redemption; the party of the first part hereby covenanting so to regulate the said sinking fund and the issue of the said bonds, that the operation of the said sinking fund shall redeem all of the bonds issued within the same time as the whole number of the said bonds would have been redeemed by the operation of the sinking fund if the entire number had been issued on the day of the date of these presents.

TABLE OF DRAWINGS.

Years. Date of Payment, first of December.	Number of Bonds Drawn.	Number of Bonds Undrawn.	Years. Date of Payment, first of December.	Number of Bonds Drawn.	Number of Bonds Undrawn.
1874	100	4900	1886	1,682	3117
1875	106	4794	1887	201	2904
1876	112	4682	1888	213	2678
1877	119	4563	1889	226	2439
1878	126	4437	1890	239	2185
1879	133	4304	1891	254	1916
1880	141	4163	1892	269	1631
1881	150	4013	1893	285	1329
1882	159	3854	1894	302	1009
1883	168	3686	1895	320	670
1884	179	3507	1896	339	310
1885	189	3318	1897	360	
	1,682			310	
				5,000	

Third.—That on or before the first day of November, 1874, and on or before the first day of November in each and every year thereafter, while any of the aforesaid bonds designated as “Class A” shall remain outstanding, the party of the first part shall pay to the trustees or trustee for the time being, or as they shall direct, the amount of the sinking fund for the year, in accordance with the preceding covenant.

Fourth.—That the numbers of the bonds to be paid in each year shall be determined by drawings by lot, by a notary public of the city of London, to be named by the trustees or trustee for the time being, at the agency of the party of the first part, in the city of London, in the month of September, in the year 1874, and in each year thereafter; that the number of bonds to be drawn shall be regulated by the amount of the sinking fund

which, as herein provided, shall be applicable for that purpose; that notice shall be given of the numbers which shall be drawn (the said numbers to be described as numbers of "Class A" of the bonds secured by this present indenture) by posting the same in the offices where the coupons of the said bonds are payable, in London and Philadelphia, on or before the first day of November after the drawing, and by advertisement published at least once a week for at least three weeks, between the date of the drawing and the following first day of December, in one or more daily newspapers in each of the said cities; and on presentation and surrender of the bonds thus drawn, with all unpaid coupons thereto belonging, at either of the said offices, the trustees or trustee for the time being shall apply the money so received by them to the payment of the principal of the said bonds, in accordance with the terms thereof; and all future interest on any of the bonds so drawn, not presented and surrendered on or before the date of the next interest payment, shall cease from and after such date; and the said trustees shall, without unreasonable delay, cancel the said bonds and coupons when paid, and return them to the party of the first part.

Fifth.—That all of the said bonds hereby secured which by the terms thereof are payable in British sterling money, or in gold coin of the United States of America, and are included in the class hereinbefore designated as "Class B," shall be redeemed within twenty-four years from the first day of December, 1873, by a sinking fund similar in all respects to that hereinbefore provided for the redemption of the bonds designated as "Class A;" and that each and every provision contained in the foregoing covenants, numbered respectively second, third

and fourth, shall be deemed and taken to apply to the said "Class B," as though the said covenants and each of them were now literally repeated, with the substitution of the words "Class B" for "Class A" wherever the same occurs.

Sixth.—That if the party of the first part hereto, their successors or assigns, shall at any time hereafter, after demand made, make default, or refuse, neglect or omit for any period exceeding three months, to pay the semi-annual interest on the bonds intended to be hereby secured, or any of them, or shall, after demand made, make default, or refuse, neglect or omit, for any period exceeding three months, to pay the principal sum of each and all of the said bonds intended to be hereby secured, or any of them, when and as the same shall become due and payable, according to the terms thereof, or shall issue any of the bonds hereby intended to be secured in excess of the amount of the capital stock of the Company then outstanding; or shall, after demand made, refuse, neglect or omit, for any period exceeding one month, to set apart and appropriate the sums required for the sinking funds as hereinbefore provided, then and in each of such cases, the said trustees or trustee for the time being shall and will, upon the written request of holders of one-eighth of the aggregate amount of all the bonds then outstanding, or of the holders of one-eighth of the aggregate amount of the bonds payable in sterling money of Great Britain, or in gold coin of the United States, or of the holders of one-eighth of the aggregate amount of bonds payable in lawful money of the United States, in either of the three cases first above mentioned, and upon the written request of holders of one-eighth in amount

of the bonds entitled to the benefit of the sinking fund thus in arrear in the case last above mentioned, enter upon and take possession of the railroads, estates real and personal, and premises hereby mortgaged, or agreed or intended so to be, and shall and will thereupon operate, use, manage and control the said railroads, estates real and personal, and premises, possession of which may be so taken, to the best advantage, and appropriate the net income and proceeds derived therefrom (after deducting the expenses of this trust, and such sum or sums as may be sufficient to indemnify the trustees or trustee for the time being, against any liability, loss or damage, for or on account of any matter or thing done by them or him in good faith, in pursuance of their or his duty as trustees or trustee) to the payment in full, without giving preference, priority or distinction to one bond over another, *first*, of the interest due on, and, *secondly*, of the principal of all of the aforesaid bonds then outstanding and intended to be hereby secured, in full, if the said income and proceeds be sufficient, but if not, then *pro rata*; or the said trustees or trustee shall and will, after or without entering upon or taking such possession, upon the written request of holders of a like amount of the said bonds then outstanding, proceed to sell the railroads, estates real and personal, corporate rights and franchises, and premises hereby mortgaged, or agreed or intended so to be, to the highest and best bidder, at public sale, in the city of Philadelphia, (first giving at least three months' notice of such intended sale, by publication, to be made twice in each week, in at least two daily newspapers published in the said city of Philadelphia and in the city of London), and grant

and convey the same to the purchaser or purchasers, freed from all and every the trusts hereby created, and without liability to see to the application of the purchase-money; and shall and will appropriate the purchase-money, after deductions made for expenses of this trust and indemnity to the trustees or trustee as aforesaid, to the payment as aforesaid, *first*, of the interest due on, and *secondly*, of the principal of the said outstanding bonds, in full, if the said purchase-money be sufficient, but if not, then *pro rata*; and in the event of there being in the hands of the said trustees or trustee any portion of the trust estate, or the proceeds thereof, after the payment in full of the principal and interest of the aforesaid bonds, then the said trustees or trustee shall reconvey, retransfer, or pay over the same to the party of the first part, their successors or assigns, for their sole use and benefit: *it being distinctly understood and agreed*, that in the event of any such entry upon or taking possession of the railroads, estates real and personal, and premises hereby mortgaged, or agreed or intended so to be, or in the event of any sale thereof by the said trustees or trustee for the time being, as hereinbefore mentioned, then, and in either such case, the whole principal sum of each and all of the said bonds then outstanding and intended to be hereby secured shall forthwith become due and payable.

And it being further distinctly understood and agreed (any law or usage to the contrary notwithstanding), that no part of the premises hereby mortgaged, or intended so to be, shall be sold under proceedings, either at law or in equity, for the recovery, either by the parties hereto of the second part, or their successors in the trust, or by the holder or holders of the bonds intended

to be hereby secured, or any of them, of the whole or any portion of the principal or interest of the said bonds, excepting, however, proceedings to enforce the trusts herein declared—it being the intention and agreement of the parties, for the better securing the largest possible price for the mortgaged premises in the event of a sale thereof, that the mode of sale hereinbefore provided shall be exclusive of all others.

Seventh.—That it shall and may be lawful for the said party of the first part, their successors or assigns, by and with the consent and approval in writing of the said trustees or trustee for the time being, at any time or times hereafter, to exchange for other property, or to sell any part of the hereby mortgaged estates and premises other than the said railroads, which, in the opinion of the party of the first part, may not be necessary for railroad purposes, free and clear from the lien or incumbrance of these presents, and to convey the same, without liability on the part of the grantee for the disposition made of the purchase-money or of the property received in exchange by the party of the first part: *Provided, however,* That the proceeds of any sale so made shall be invested by the said party of the first part either in the improvement of any remaining part of the mortgaged premises or in the purchase of other property real or personal; which property so purchased, as also any that may be acquired in exchange as aforesaid by the party of the first part, shall be subject to all the trusts (including that of sale or exchange) hereby declared of the property described in this indenture, and shall be conveyed in mortgage by the party of the first part to the said trustees or trustee for the time being, to be so held, or in the purchase of bonds hereby

secured; which bonds so purchased shall be forthwith cancelled and delivered to the party of the second part.

Eighth.—That in the event of the resignation, neglect, refusal or incapacity to act of the trustees herein named, or any successor or successors in the trust, then the party hereto of the first part shall apply to the circuit judge for the third judicial circuit of the United States, sitting in the eastern district of Pennsylvania, to nominate and appoint a new trustee or trustees for the purpose of filling the vacancy so caused and supplying the place of such trustee or trustees so resigning, neglecting, refusing or becoming incapable to act; and the said trustee or trustees so nominated and appointed shall take upon himself or themselves the same trusts, and have the same powers, and be subject to all the stipulations and conditions of this indenture; and which trusts, powers, stipulations and conditions it is hereby agreed and declared shall extend to, and be performed and executed by, such newly-appointed trustee or trustees as they can, or may, or could, or might be by the party named herein as party of the second part; and the like nomination and appointment shall and may be made and carried into effect in like manner and as often, from time to time, as there may be occasion therefor, and with the same effect as before mentioned.

Ninth.—And it is hereby further covenanted and agreed as aforesaid, and this trust is accepted upon the express condition, that the said trustees shall not, nor shall any future trustees or trustee, incur any liability or responsibility whatever in consequence of permitting or suffering the said party of the first part to remain or be in possession of the railroads, estates and premises hereby mortgaged, or agreed or intended so to be, or

any part thereof, and to use and enjoy the same; nor shall the said trustees, or any future trustees or trustee, be or become responsible or liable for any destruction, deterioration, loss, injury or damage which may be done or occur to the railroads and estates hereby mortgaged, or agreed or intended so to be, either by the said party of the first part or their agents or servants, or by any other person or persons whomsoever; nor shall any such trustees or trustee, present or future, be in any way responsible for the consequences of any breach on the part of the party of the first part of any of the covenants herein contained, nor of any act of said party of the first part, their agents or servants; nor shall the said trustees or trustee, present or future, be or become liable or responsible for any cause, matter or thing except their or his own wilful and intentional breaches of the trusts herein expressed and contained:

Provided always, nevertheless, That if the party of the first part, their successors or assigns, shall and do well and truly pay, or cause to be paid, unto the person or persons, bodies politic or corporate, who shall become holders of the bonds intended to be secured hereby, the several and respective sums expressed therein, on the day and time hereinbefore mentioned for payment thereof, together with the lawful interest for the same, according to the provisions of the said recited obligations or bonds, or in accordance with the provisions hereof, without any fraud or further delay, then and from thenceforth, as well this present indenture and the estate hereby granted and conveyed, or hereby agreed so to be, as the said recited obligations, shall become

void and of no effect, anything hereinbefore contained to the contrary thereof notwithstanding, and satisfaction shall be forthwith duly entered by the said trustees or trustee for the time being, upon the record of this indenture of mortgage.

In Witness Whereof, The said The Lehigh Valley Railroad Company have caused to be hereunto affixed their common or corporate seal, and the president of the said Company, by virtue of the authority vested in him, has hereunto affixed his signature, and the secretary of the said Company has duly attested the execution hereof, this the day and year first above written.

Scaled and delivered in presence of us:

J. G. FELL,
JOSEPH WHARTON.

ASA PACKER,

Prest.

Attest:

JNO. R. FANSHAWE,

Secretary.



THE FIDELITY INSURANCE, TRUST AND SAFE DEPOSIT COMPANY, OF PHILADELPHIA, do hereby accept the foregoing trust.

In Witness Whereof, The said Company have caused their corporate seal to be hereunto affixed, duly attested, this 28th day of November, A. D. one thousand eight hundred and seventy-three (1873).

*Signed and sealed in the
presence of us:*

R. A. WILKINSON,
R. L. WRIGHT, Jr.

Attest:

N. B. BROWNE,
Prest.

R. PATTERSON,
Secretary.



CITY OF PHILADELPHIA,
STATE OF PENNSYLVANIA, } ss.

BE IT REMEMBERED, That on this 26th day of Nov'r, A. D. one thousand eight hundred and seventy-three (1873), before me, the subscriber, a notary public in and for the said city, personally came and appeared Asa Packer, Esquire, President of the foregoing named corporation, The Lehigh Valley Railroad Company, who, being duly sworn, deposes and says, that he was personally present at the execution of the foregoing indenture of mortgage, and did affix the common or corporate seal of the said corporation, The Lehigh Valley Railroad Company, thereto, and that the seal so affixed is the common or corporate seal of the said The Lehigh Valley Railroad Company; and that the foregoing indenture of mortgage was duly signed, sealed and delivered by him as and for the act and deed of the said The Lehigh Valley Railroad Company, for the uses and purposes therein mentioned; and that the signature of this deponent to the said indenture of mortgage, as president of the said corporation, is of this deponent's own proper handwriting.

*Sworn to and subscribed before
me, this the day and year above
written. Witness my hand and
official seal.*

ASA PACKER.

W. C. ALDERSON,
[L. S.] Notary Public.

CITY OF PHILADELPHIA,
STATE OF PENNSYLVANIA, } ss.

BE IT REMEMBERED, That on this 26th day of November, A. D. one thousand eight hundred and seventy-three (1873), before me, the subscriber, a notary public in and for the said city, personally came and appeared John R. Fanshawe, Esquire, Secretary of the foregoing named corporation, The Lehigh Valley Railroad Company, who, being duly affirmed according to law, deposes and says, that he was personally present at the execution of the foregoing indenture of mortgage, and saw Asa Packer, Esquire, President of the said corporation, affix the seal of the said Company to the said indenture of mortgage, and deliver the same as the act and deed of the said Company; and that the name of this deponent subscribed to the said indenture, as secretary of the said corporation, in attestation of the due execution and delivery of the said indenture, is of this deponent's own proper handwriting.

*Affirmed to and subscribed before
me, this the day and year above
written. Witness my hand and
official seal.*

JNO: R. FANSHAWE.

[I. s.] W. C. ALDERSON,
Notary Public.

NORTHAMPTON COUNTY, ss.

Recorded in the office for the recording of deeds, &c., at Easton, in and for the said county, in Mortgage Book No. 28, page 490, &c. Entered December 2nd, A. D. 1873, at 6 P. M.

Witness my hand and the seal of said office.

[SEAL.]

JNO. H. ODENWELDER,

Recorder.

LEHIGH COUNTY, ss.

Recorded in the office for recording of deeds, &c., at the city of Allentown, county of Lehigh, in Mortgage Book vol. 19, page 517, &c.

Witness my hand and official seal, this third day of December, A. D. 1873.

[SEAL.]

SILAS CAMP,

Recorder.

CARBON COUNTY, ss.

Recorded in the office for recording of deeds at Mauch Chunk, in and for the county of Carbon, in Mortgage Book No. 7, page 1, &c.

Witness my hand and official seal, this 3d day of December, A. D. 1873.

[SEAL.]

A. WHITTINGHAM,

Recorder.

LUZERNE COUNTY, ss.

Recorded in the office for recording deeds, &c., in and for said county, in Mortgage Book No. 27, pages 241 to 258 inc.

Witness my hand and seal of office at W. Barre, this 3d day of December, A. D. 1873 (5 P. M.)

[SEAL.]

OTTO KAISER,

Recorder.

COLUMBIA COUNTY, ss.

Recorded in the office for the recording of deeds, &c., in and for said county, at Bloomsburg, December 4th, 1873, in Mortgage Book No. 7, pages 675, &c.

Witness my hand and official seal.

[SEAL.]

WILLIAMSON H. JACOBY,

Recorder.

NORTHUMBERLAND COUNTY, ss.

Entered and recorded, December 4, 1873, in the office for the recording of deeds, mortgages, &c., in and for said county, in Mortgage Book No. 13, pages 299 to 312, both inclusive.

Witness my hand and seal of office the date aforesaid.

[SEAL.]

GEO. B. REIMENSNYDER,

Deputy Recorder.

SCHUYLKILL COUNTY, ss.

Recorded in the office for recording deeds, &c., in and for said county, in Mortgage Book "S. S.," page 333, &c.

Witness my hand and official seal at Pottsville, this 5th day of December, A. D. 1873.

[SEAL.]

J. J. WEBER,

Recorder,

Per J. J. EDWARDS, *Deputy.*

17
281
✓
NOT TO BE LENTED OR ...

Mortgage and Collateral Trust Deed.

5%
May & Nov.

LEHIGH VALLEY RAILROAD COMPANY

to

**THE GIRARD LIFE INSURANCE, ANNUITY
AND TRUST COMPANY OF
PHILADELPHIA,
Trustee.**

Gold
Issue \$15,000,000.

Dated May 1st, 1897.
Due May 1st, 1997.

Red. at 7 1/2% prem. on 60 days' notice

C. G. Burgoyne, Walker and Centre Streets, N. Y.—1897.

Reg. #.

✓ 11/30/04

LEHIGH VALLEY RAILROAD COMPANY

Notice is hereby given that the Lehigh Valley Railroad Company will redeem and pay on May 1, 1905, at the banking house of Drexel & Company, in the City of Philadelphia, Pa., all its bonds issued and outstanding under its Mortgage and Collateral Trust Deed Dated May 1, 1897, made between the said Lehigh Valley Railroad Company and the Girard Life Insurance, Annuity and Trust Company of Philadelphia (now Girard Trust Company), Trustee. Interest on said bonds will be paid to May 1, 1905, and will cease on that date. In accordance with the provisions of the said bonds and the mortgage securing the same, a premium of 7½ per cent will be paid on their redemption.

LEHIGH VALLEY RAILROAD CO.

W. C. ALDERSON,
Treasurer.

Circular - 11/26/04

DOW, JONES & CO.

THE WALL STREET JOURNAL. NEWS BULLETINS.
ELECTRIC PAGE NEWS TICKER.

14 Broad Street.

Telephone One Broad.

Friday, June 2, 1905.

No. 38

LEHIGH VALLEY.

The Lehigh Valley has cancelled the \$15,000,000 general collateral trust mortgage of May 1, 1897, to the Girard Trust Co., Philadelphia. These bonds were called for payment May 1, 1905, at 107½. New consolidated 4% bonds have been sold to pay the bonds, and the cancelling of the mortgage is a routine step.

This Indenture, made this first day of May, in the year one thousand eight hundred and ninety-seven, between

LEHIGH VALLEY RAILROAD COMPANY, a corporation created by and existing under the laws of Pennsylvania (hereinafter called the "Railroad Company"), party of the first part, and THE GIRARD LIFE INSURANCE, ANNUITY AND TRUST COMPANY OF PHILADELPHIA, a corporation created by and existing under the laws of the State of Pennsylvania (hereinafter called the "Trustee"), party of the second part.

WHEREAS, at a meeting of the Board of Directors of the Railroad Company, duly called and held at its office in the City of Philadelphia on the 13th day of April, in the year eighteen hundred and ninety-seven, the draft of a mortgage or deed of trust in the form of this indenture was submitted and read, and a resolution in the following words was duly and unanimously adopted, viz. :

Resolved, That the President and the Secretary of the Company be, and they are hereby, authorized and directed, in its behalf and under the corporate seal, and in form substantially that now submitted to this Board, to execute and deliver a mortgage or deed of trust upon the property and franchises of the corporation, to be known as the "Mortgage and Collateral Trust Deed," to THE GIRARD LIFE INSURANCE, ANNUITY AND TRUST COMPANY OF PHILADELPHIA, as trustee, to secure an issue of bonds for an aggregate principal sum not exceeding \$15,000,000; the principal of such bonds to be payable in gold coin of the United States of the present standard of weight and fineness, on the first day of May, in the year 1997 at the office or agency of the Railroad Company in the City of Philadelphia, with interest thereon at the rate of five per cent. per annum

from May 1, 1897, payable semi-annually, at said office or agency in like gold coin, on the first days of May and November in each year; such bonds to be issued and disposed of on the terms and conditions, for the purposes, and in the manner set forth in said form of mortgage.

AND WHEREAS, the bonds to be secured by this indenture are to be coupon bonds of the denomination of \$1,000, numbered consecutively from A 1 upwards, and registered bonds of the denominations of \$1,000, numbered consecutively from B 1 upwards, and all bonds, from time to time, as directed by the Board of Directors of the Railroad Company are to be executed in the name and on behalf of the said Company and under its corporate seal by its President, or any Vice-President, and its Secretary, or Assistant Secretary, and are to be substantially in the following tenor, to wit:

[FORM OF COUPON BONDS.]

No. \$1,000.

UNITED STATES OF AMERICA.

STATE OF PENNSYLVANIA.

LEHIGH VALLEY RAILROAD COMPANY.

MORTGAGE AND COLLATERAL TRUST 5% GOLD
BOND.

KNOW ALL MEN BY THESE PRESENTS, That Lehigh Valley Railroad Company, a corporation of the State of Pennsylvania, hereinafter called the "Railroad Company," for value received, promises to pay to the bearer, or, if registered, to the registered holder, of this bond, One Thousand Dollars, gold coin of the United States of America, on the first day of May, in the year 1997, at the office or agency of the Railroad Company, in the City of Philadelphia, and to pay interest thereon at the rate of five per cent. per annum, from May 1, 1897, payable semi-annually at said office or agency, in like gold coin, on the first days of May and November in each year, but only upon presentation and surrender of the annexed coupons as they severally mature, such

United States gold dollars in every case to be of the standard of weight and fineness as it existed May 1st, 1897.

Both the principal and interest of this bond are payable without deduction for any tax or taxes of the United States, or of any State, County, or Municipality therein, which the Railroad Company may be required to pay, or to retain therefrom, under any present or future law.

This bond is one of a series of coupon and registered bonds of the Railroad Company known as "Mortgage and Collateral Trust 5% Gold Bonds," duly authorized and approved by the Board of Directors of the Railroad Company, and issued and to be issued, to an amount not exceeding, in the aggregate, \$15,000,000 at any one time outstanding; all of which bonds are issued under, and in pursuance of, and are equally secured by, a mortgage or deed of trust dated May 1st, 1897, executed by the Railroad Company to The Girard Life Insurance, Annuity and Trust Company of Philadelphia, a corporation of the State of Pennsylvania, as Trustee, of all the property and franchises of the Railroad Company mentioned in said mortgage or deed of trust, to which reference is hereby made for a description of the property and franchises mortgaged and the nature and extent of the security, and the rights of the holders of said bonds under the same, and the terms and conditions upon which said bonds are issued and secured.

The Railroad Company may redeem this bond on the first day of May or November in any year, at seven and one-half per cent. premium, upon sixty days' notice thereof advertised not less than once a week in a newspaper published in the City of New York, N. Y., and in one published in the City of Philadelphia, Pa., and in one published in London, England, under and in pursuance of the terms and provisions therefor in said mortgage or trust deed contained. Upon the date so fixed for redemption interest hereon shall cease.

This bond may be registered as to principal in the owner's name on the books of the Railroad Company at the office or agency of the Railroad Company in the City of Philadelphia, such registry being noted on the bond by the Railroad Company's transfer agent, after which no transfer shall be valid unless made on the Railroad Company's books by the registered owner and similarly noted on the bond; but the same may be discharged from registry by being transferred to bearer, after which transferability by delivery shall be restored; but it may again from time to time be registered or transferred to bearer as before; such registration, however, shall not affect the negotiability of the coupons by delivery merely. This bond is also exchangeable for registered bonds without coupons, as provided in said mortgage or deed of trust.

This bond shall not become obligatory for any purpose until it shall have been authenticated by the certificate, hereon endorsed, of the Trustee under said mortgage or deed of trust.

IN WITNESS WHEREOF, the Lehigh Valley Railroad Company has caused these presents to be signed by its President or by one of its Vice-Presidents, and its corporate seal to be hereunto affixed, and to be attested by its Secretary or its Assistant Secretary, and coupons for said interest, with the engraved signature of its Treasurer, to be attached hereunto this first day of May, 1897.

LEHIGH VALLEY RAILROAD COMPANY,
By

Vice-President.

Attest:

Secretary.

[FORM OF REGISTERED BONDS.]

UNITED STATES OF AMERICA,

STATE OF PENNSYLVANIA.

LEHIGH VALLEY RAILROAD COMPANY.

MORTGAGE AND COLLATERAL TRUST REGISTERED
5% GOLD BOND.

No.

\$1,000.

KNOW ALL MEN BY THESE PRESENTS, that LEHIGH VALLEY RAILROAD COMPANY, a corporation of the State of Pennsylvania, hereinafter called the "Railroad Company," for value received, promises to pay or assigns, the sum of one thousand dollars, gold coin of the United States of America, on the first day of May, in the year 1897, at the office or agency of the Railroad Company in the City of Philadelphia, and to pay interest thereon from the first day of May or November, as the case may be, next preceding the date hereof, at the rate of five per cent. per annum, payable semi-annually, in like gold coin, at the said office or agency, on the first days of May and November in each year, such United States gold dollars in every case to be of the standard of weight and fineness as it existed May 1st, 1897.

Both the principal and interest of this bond are payable without deduction for any tax or taxes of the United States or any State, County, or Municipality thereof, which the Railroad Company may be required to pay, or to retain therefrom, under any present or future law.

This bond is one of a series of coupon bonds and registered bonds of the Railroad Company, known as "Mortgage and Collateral Trust 5 Per Cent. Gold Bonds," duly authorized and approved by the Board of Directors of the Railroad Company, and issued and to be issued, to an amount not exceeding in the aggregate \$15,000,000 at any one time outstanding; all of which bonds are issued under and in pursuance of, and are equally secured by, a mortgage or deed of trust, dated May 1st, 1897, executed by the Railroad Company to The Girard Life Insurance, Annuity and Trust Company of Philadelphia, a corporation of the State of Pennsylvania, as Trustee, of all the property and franchises of the Railroad Company mentioned in said mortgage or deed of trust, to which reference is hereby made for a description of the property and franchises mortgaged, and the nature and extent of the security, and the rights of the holders of said bonds, under the same, and the terms and conditions upon which said bonds are issued and secured.

The Railroad Company may redeem this bond on the first day of May or November in any year, at seven and one-half per cent. premium, upon sixty days' notice thereof advertised not less than once a week in a newspaper published in the City of New York, N. Y., and in one published in the City of Philadelphia, Pa., and in one published in London, England, under and in pursuance of the terms and provisions therefor in said trust deed contained. Upon the date so fixed for redemption interest hereon shall cease.

This bond is transferable by the registered holder hereof, in person or by attorney duly authorized, on the books of the Railroad Company at the office or agency of the Railroad Company in the City of Philadelphia, upon surrender and cancellation of this bond, and a new registered bond will be issued to the transferee in exchange therefor, as provided in said mortgage or deed of trust, and on payment, if the Railroad Company shall so require, of the charge therein provided for.

This bond shall not become obligatory for any purpose until it shall have been authenticated by the certificate, hereon endorsed, of the Trustee under said mortgage or deed of trust.

IN WITNESS WHEREOF, the Lehigh Valley Railroad Company has caused these presents to be signed by its President or by one of its Vice-Presidents, and its corporate seal to be hereunto affixed and attested by its Secretary or its Assistant Secretary this first day of May, 1897.

LEHIGH VALLEY RAILROAD COMPANY,

By

Vice-President.

Attest :

Secretary.

AND WHEREAS, there are to be annexed to the said coupon bonds, at the time of the issue thereof, coupons representing the semi-annual interest installments which may become due thereon to and including the first day of May, 1997, each of which coupons is to be substantially of the following tenor :

[FORM OF INTEREST COUPON, OF WHICH THE FIRST IS TO BE
PAYABLE NOVEMBER 1, 1897.]

No.

\$25.

On the first day of _____, Lehigh Valley Railroad Company will pay to bearer at its office or agency in the City of Philadelphia Twenty-five dollars gold coin, without deduction for taxes, being six months' interest then due on its Mortgage and Collateral Trust 5% Gold Bond No. unless said bond shall have been called for redemption six months prior to that date.

Treasurer.

AND WHEREAS, the coupons to be attached to said bonds are to be authenticated by the engraved signature of the present Treasurer or of any future Treasurer of the Company, it being intended that the Company may adopt and use for that purpose the engraved signature of any person who shall have been its Treasurer, notwithstanding the fact that he may have ceased to be such Treasurer at the time when such bonds shall be actually certified and delivered ;

AND WHEREAS, there is to be endorsed on each of such bonds a certificate of the Trustee that it is one of the Mortgage and Collateral Trust 5% Gold Bonds herein described, and no bond will be valid or obligatory for any purpose until such certificate shall have been executed by the Trustee, such certificate to be substantially of the following tenor, viz. :

[FORM OF TRUSTEE'S CERTIFICATE.]

This bond is one of the series of Mortgage and Collateral Trust 5% Gold Bonds described in the within-mentioned Mortgage or Deed of Trust executed by the Lehigh Valley Railroad Company to the undersigned.

THE GIRARD LIFE INSURANCE, ANNUITY AND TRUST
COMPANY OF PHILADELPHIA,
Trustee.

By

President.

Now, therefore, this indenture witnesseth :

That in order to secure the payment of the principal and interest of all such bonds at any time issued and outstanding under this indenture, according to their tenor and effect, and the performance of all the covenants and conditions herein contained, and to declare the terms and conditions upon which such bonds are issued and received, and in consideration of the premises and of the purchase and acceptance of such bonds by the holders thereof, and of the sum of one dollar to the Company duly paid by the Trustee at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged :

Lehigh Valley Railroad Company, party of the first part, has granted, bargained, sold, aliened, remised, released, conveyed, confirmed, assigned, transferred and set over, and by these presents does grant, bargain, sell, alien, remise, release, convey, confirm, assign, transfer and set over, unto **THE TRUSTEE**, party of the second part, its successors and assigns forever :

ALL AND SINGULAR the following estates, railroads, lands, properties, rights, privileges and franchises, and bonds and shares of capital stock, viz. :

FIRST. The Main Line of Railroad of said Lehigh Valley Railroad Company, extending from Phillipsburg, in the State of New Jersey, on the eastern bank of the river

Delaware, opposite the town of Easton, in the County of Northampton, in the State of Pennsylvania, to Wilkesbarre, in the County of Luzerne, in the same State; the Barbers Quarry Branch and West End Branch at Allentown, Lehigh County, in the same State; the Slatedale Branch, extending from Slatington, Lehigh County, to Seagersville Quarry, Lehigh County, in the same State; the Welsh-town Creek Branch at Slatington, Lehigh County, in the same State; the Beaver Meadow Branch, extending from Penn Haven Junction on said main line, in the County of Carbon, to Audenried, in said County of Carbon, in the same State; the Lehigh and Mahanoy Branch, extending from Black Creek Junction, on the said Beaver Meadow Branch, in said County of Carbon, to Mount Carmel, in the County of Northumberland, in the same State; the Hazleton Branch, extending from Hazel Creek Junction on the said Beaver Meadow Branch, in the County of Carbon, through Hazleton, to Tomhicken, in the County of Luzerne, in the same State; The Delano and Hazleton Branch, extending from Hazleton Junction, on the said Hazleton Branch, in said Luzerne County, to New Boston Junction, in the County of Schuylkill, in the same State; the Lehigh Luzerne Branch, extending from Hazleton Branch at Lumber Yard, in the County of Luzerne, to Harleigh Junction, on the said Hazleton Branch, and to Milnesville, in the County of Luzerne, in the same State; the Highland Branch, extending from Pink Ash Junction, on the Lehigh Luzerne Branch, in the County of Luzerne, to Sandy Run, in the same County, in the same State; the Mountain Cut Off, from Fairview, in the County of Luzerne, to Avoca, in the same County, in the same State; the West Side Connection Branch, extending from a connection with the projected Plainsville and Yatesville Branch in Luzerne Borough, in the County of Luzerne, to Port Bowkley, in the same County, in the same State; said railroads, with their branches, turnouts, and sidings, amounting in the aggregate to 791.69

miles of single track railroad ; together with all branches and extensions, of the said railroads, and each of them, now belonging to, or which may hereafter be constructed by or belong to the said party of the first part, in the said State of Pennsylvania ;

INCLUDING any and all roadbed, superstructure, rights of way, rails, tracks, sidetracks, bridges, viaducts, buildings, depots, stations, warehouses, car-houses, engine-houses, freight-houses, coal-houses, wood-houses, machine shops and other shops, turn-tables, water-stations, fences, docks, structures, erections and fixtures, and all other things of whatever kind in any wise or now or hereafter belonging or appertaining to any line of railway, or to any branch or extension, at any time subject to the lien of this indenture, or provided for use thereon, or in connection therewith ; and any and all lands now or hereafter designed for depots, warehouses or other structures at any terminus, or on and along such lines of railway, or upon or along any such branch or extension ; and any and all locomotives, engines, cars and other rolling stock, equipment, machinery, instruments, tools, implements, materials and furniture now owned or hereafter acquired by the Railroad Company and other chattels, wheresoever situated, now or hereafter held, acquired or provided for use upon such lines of railway or branches or extensions, or upon any other line or branch or extension, or upon any operated line ; and any and all leases, under which it now operates or may hereafter operate any railroads or canals, and any and all other property, real or personal, of every kind and description, now or hereafter acquired for use upon, or in connection with, or for the purpose of, any lines of railway, branches or extensions now or hereafter subject to the lien hereof ; and any and all corporate or other rights, privileges and franchises which the Railroad Company now has, or hereafter shall acquire, possess or exercise for, or appertaining to, the construction, maintenance, use or operation of such lines

of railway or branches or extensions, or any part thereof; and any and all the rents, issues, profits, tolls and other income of such lines of railway, or branches or extensions, or any part thereof, and of any and all the rights, privileges, franchises, properties, real or personal, rights and things which the Railroad Company may or shall hereafter possess, or become entitled to possess, for the purpose of, or in connection with, such lines of railway or any such branch or extension.

SECOND. All and singular the following estates, lands, wharves and properties :

1. All that certain lot or piece of ground with the building thereon erected, situate on the west side of Third Street (enlarged by a strip of ground ten feet in width thrown out for public use to widen the footway) and on the south side of Willing's Alley, as at present laid out and opened, eighteen feet in width between Walnut and Spruce Streets, in the City of Philadelphia, State of Pennsylvania, containing in front or breadth on Third Street forty-two feet three inches, and extending of that width westward one hundred and seventy-eight feet six inches on the north line thereof, and one hundred and seventy-eight feet ten and one-fourth inches on the south line thereof, to the easternmost line of a private passageway or court,

Together with the free use, right and privilege of the said passageway and water-course.

(Being the same premises which the Pennsylvania Railroad Company *et al.*, by deed bearing date the Tenth day of May, A. D. 1872, and recorded in the office for Recording of Deeds in and for the City and County of Philadelphia, in Deed Book F. T. W. No. 10, page 44, etc., granted and conveyed unto the Lehigh Valley Railroad Company, its successors and assigns.)

2. All that certain lot or piece of ground with the building thereon erected, situate on the west side of Third Street (enlarged by a strip of ground ten feet in width thrown out for public use to widen the foot-way by Thomas Willing, Benjamin Chew and others, by Indenture of five parts, dated the Twentieth day of December, A. D. 1809), between Spruce Street and Willing's Alley in the City of Philadelphia. Beginning at a point on the west side of Third Street, enlarged, as aforesaid, at the distance of forty-two feet three inches southward, from the south side of Willing's Alley aforesaid, containing in

breadth, north and south, twenty feet six and a half inches, and in length or depth east and west one hundred and fifty-one feet ten and three-fourths inches on the north line, and one hundred and fifty-two feet on the south line thereof.

(Being the same premises which the Pennsylvania Railroad Company *et al.*, by deed bearing date the Tenth day of May, A. D. 1872, and recorded in the office for the Recording of Deeds, in and for the City and County of Philadelphia, in Deed Book F. T. W., No. 10, page 49, etc., granted and conveyed unto the Lehigh Valley Railroad Company, its successors and assigns.)

Together with all the rights and privileges mentioned and expressed in the above-mentioned Indenture of five parts, which shall, or of right, ought to attach to the owners and occupiers of the said premises.

3. All those two certain lots or pieces of ground with the buildings and improvements thereon erected, situate in the Sixth Ward of the City of Philadelphia, described according to a survey thereof made by W. C. Cranmer, Surveyor and Regulator of the Third District, on the Eighth day of September, A. D. 1890, as follows, to wit :

One thereof, beginning at a point on the west side of Delaware Avenue at a distance of two hundred and six and fifty-six one hundredths feet northward from the north side of Arch Street; thence extending northward along the west side of said Delaware Avenue sixty-four feet to a point on the south side of a certain ten-feet wide alley; thence extending westward along the south side of said alley one hundred and thirty-seven and ninety-two one-hundredths feet to a point on the east side of Water Street; thence extending southward along said side of Water Street fifty-three and eighty-five one-hundredths feet to a point; thence extending eastward ninety-one and fifty-eight one-hundredths feet to a point; thence extending southward twelve and fifty-four one-hundredths feet to a point; thence extending eastward forty-six and forty-two one hundredths feet to the first-mentioned point and place of beginning.

And the other thereof, beginning at a point on the east side of said Delaware Avenue at a distance of one hundred and seventy-six and forty-eight one-hundredths feet northward from the north side of Arch Street; thence extending northward along the said side of Delaware Avenue ninety-three and twenty-seven one-hundredths feet to a point in the south line of a certain ten-feet wide alley; thence extending eastward along the south side of said alley two hundred and seventy-five and fifteen one-hundredths feet to the Port Warden's line in the River Delaware; thence extending southward along the said Port Warden's line eighty-nine and four hundred and twenty-six one-thousandths feet; thence extend-

ing westward two hundred and seventy-six and eighty-four one-hundredths feet to the first-mentioned point and place of beginning.

4. All that certain lot or piece of ground, with the buildings, wharves and improvements thereon erected, situate in the Sixth Ward of the said City of Philadelphia, described according to a survey thereof made by W. C. Cranmer, Surveyor and Regulator of the Third District, on the Eighth day of September, A. D. 1890, as follows, to wit:—

Beginning at a point on the east side of Delaware Avenue at the distance of one hundred and fifty-one and ninety-four one-hundredths feet southward from the south side of Race Street; thence extending southward along the said side of Delaware Avenue one hundred and eighty-two and twenty-nine one-hundredths feet to a point on the north side of a certain ten feet wide alley; thence extending eastward along the north side of said alley two hundred and seventy-five and five one-hundredths feet to the Port Warden's line in the River Delaware; thence extending northward along the said Port Warden's line one hundred and eighty-three and fifty-six one-hundredths feet; thence extending westward two hundred and seventy-four and sixty-one one-hundredths feet to the first mentioned point and place of beginning.

Under and Subject to a certain mortgage debt of one hundred and fifty thousand dollars (\$150,000), secured upon the premises by Indenture of Mortgage given and executed by Charles Hartshorne to Alexander Kerr, dated October 9th, 1890, and recorded at Philadelphia, in Mortgage Book G. G. P. No. 636, page 326, &c., together with the interest due and to become due thereon.

Also, all the right, title and interest of the said Charles Hartshorne in and to said ten feet wide alley above-mentioned, and extending from the easterly side of Delaware Avenue to the Port Warden's line in the Delaware River, which said alley was, by ordinance of the Select and Common Councils of the City of Philadelphia, approved the twenty-first day of September, A. D. 1896, stricken from the city plan.

5. All that certain lot or piece of ground, with the buildings and improvements thereon erected, situate in the Sixth Ward of the City of Philadelphia, in the State aforesaid, described according to a survey thereof made by W. C. Cranmer, Surveyor and Regulator of the Third District, on the Twelfth day of March, A. D. 1892, as follows, viz:—

Beginning at a point on the west side of Delaware Avenue at the distance of one hundred and sixty-two feet eight and three-quarters inches northward from the north side of Arch Street (which said point is also in the middle of a certain alley eight feet eight inches front on the said Delaware Avenue, which extends westward increasing in width to the

east side of Water Street on which it contains nine feet four inches); thence extending westward along the centre line of said alley one hundred and thirty-eight feet two and five-eighths inches to a point on the east side of said Water Street at a distance of one hundred and sixty-three feet five and three-quarters inches northward from the north side of Arch Street aforesaid; thence northward along the east side of said Water Street fifty-five feet nine and three-quarters inches to a point; thence eastward ninety-one feet seven inches to a point; thence southward twelve feet six and one-half inches to a point; thence further eastward forty-six feet five inches to a point on the west side of said Delaware Avenue; thence southward along the said side of Delaware Avenue forty-three feet ten inches to the first-mentioned point and place of beginning.

Together with the free and common use, right, liberty and privilege of the said alley as and for a passage-way and water-course at all times hereafter forever in common with the owners, tenants and occupiers of the other lots of ground bounding thereon.

Under and Subject to a certain mortgage debt of twenty thousand dollars (\$20,000) secured upon the premises by Indenture of Mortgage given and executed by Charles Hartshorne to the Pennsylvania Company for Insurances on Lives and Granting Annuities, Trustee, dated April 4th, 1892, and recorded at Philadelphia, in Mortgage Book T. G. No. 147, page 349, etc., together with the interest due and to become due thereon.

(Being the same premises [as to above tracts 3, 4 and 5] which Charles Hartshorne, by deed dated the thirtieth day of April, A. D. 1897, and intended to be forthwith recorded, granted and conveyed [subject as aforesaid] unto the Lehigh Valley Railroad Company, its successors and assigns.)

6. All that certain lot or piece of ground, with the buildings and improvements thereon erected, situate in the Eighteenth Ward of the City of Philadelphia, bounded and described according to a survey thereof made by Joseph Mercer, Surveyor and Regulator of the Sixth District, on the Ninth day of January, A. D. 1890, as follows, to wit:—

Beginning at the point of intersection of the southwesterly side of Plum Street with the southeasterly side of Beach Street; thence extending southeastwardly along the southwesterly side of said Plum Street five hundred and fifteen feet eight and one-quarter inches to the Port Warden's line in the River Delaware; thence extending by said last mentioned line south sixty-one degrees eight minutes thirty-three seconds, west two hundred and sixty feet eleven inches to a point; thence extending by ground late of Frank C. Gillingham, *et al.*, north thirty-two degrees thirty-one minutes fifty-three seconds, west four

hundred and fifty-five feet four and five-eighths inches to a point on the southeasterly side of said Beach Street ; thence extending northeastwardly along the southeasterly side of Beach Street one hundred and twenty feet eight and three-eighths inches to the first mentioned point and place of beginning.

7. All those certain two lots or pieces of ground, with the buildings and improvements thereon erected, situate in the Eighteenth Ward of the City of Philadelphia, bounded and described according to a survey thereof made by Joseph Mercer, Surveyor and Regulator of the Sixth District, on the Ninth day of January, A. D. 1890, as follows ; viz. :

One thereof, beginning at the point of intersection of the southwesterly side of Plum Street with the southeasterly side of Richmond Street ; thence extending southeastwardly along the southwesterly side of said Plum Street three hundred and sixty-five feet eight and one-quarter inches to a point on the northwesterly side of Beach Street ; thence extending southwestwardly along the northwesterly side of said Beach Street crossing Rush Street as now laid out, two hundred and seventy feet eleven and one-eighth inches to a point in the southwesterly side of said Rush Street ; thence extending southeastwardly along the southwesterly side of said Rush Street one foot three and one-half inches to a point in the northwesterly side of said Beach Street ; thence extending southwestwardly along the northwesterly side of said Beach Street twenty-five feet one and one-quarter inches to a point in the line of ground late of William Ball ; thence by said last-mentioned ground north, thirty-four degrees thirty-two minutes two seconds west, one hundred and forty-six feet eleven and one-quarter inches to a point in the bed of said Rush Street ; thence north, fifty-six degrees thirty minutes east, sixty-one feet to a point in the centre line of Bank Street (now vacated) ; thence by the centre line of said Bank Street (now vacated) north, forty-eight degrees thirty minutes fifty-seven seconds west, two hundred and five feet two inches to a point in the southeasterly side of said Richmond Street ; thence extending northeastwardly along the southeasterly side of said Richmond Street one hundred and ninety-seven feet five and one-half inches to the first-mentioned point and place of beginning.

And the other thereof, beginning at a point on the southeasterly side of said Beach Street at a distance of one hundred and twenty feet eight and three-eighths inches southwestwardly from the southwesterly side of Plum Street ; thence extending by land late of Joseph E. Gillingham *et al.* south, thirty-two degrees thirty-one minutes fifty-three seconds east, four hundred and fifty-five feet four and five-eighths inches to the Port Warden's line in the River Delaware ; thence extending by said last-mentioned line south, sixty-one degrees eight

minutes thirty-three seconds west, one hundred and sixty-nine feet four and one-half inches to a point; thence extending by land now or late of William Ball north, thirty-four degrees thirty-two minutes two seconds west, four hundred and sixteen feet two inches to a point in the southeasterly side of said Beach Street; thence extending northeasterly along the southeasterly side of said Beach Street thirty-nine feet one and three-quarter inches to a point in the southwesterly side of said Rush Street; thence extending northwesterly along the southwesterly side of said Rush Street seven feet six and five-eighths inches to a point in the southeasterly side of said Beach Street extended; thence extending northeastwardly along the southeasterly side of Beach Street extended, as aforesaid, and crossing the said Rush Street one hundred and fifty feet two and three-quarter inches to the first-mentioned point and place of beginning.

Under and Subject to two certain mortgage debts of thirty-five thousand dollars (\$35,000), and twenty thousand dollars (\$20,000), respectively, secured upon said premises by two separate Indentures of Mortgage, given and executed by Rudolph J. Watson and Frank C. Gillingham to David R. Garrison, each dated January 14th, 1881, and recorded at Philadelphia, in Mortgage Book L. W. No. 124, pages 172, etc., and 155, etc., together with the interest due and to become due thereon.

8. All those two certain lots or pieces of ground, with the buildings and improvements thereon erected, situate in the Eighteenth Ward of the said City of Philadelphia, bounded and described according to a survey thereof made by Joseph Mercer, Surveyor and Regulator of the Sixth District, on the Ninth day of January, A. D. 1890, as follows, to wit:

One thereof, beginning at the point of intersection of the southwesterly side of Norris Street with the northwesterly side of Richmond Street; thence extending southwestwardly along the northwesterly side of said Richmond Street three hundred feet three and one-half inches to a point in the line of land now or late of Thomas H. Powers and William Weightman; thence extending northwestwardly by said last-mentioned land on a line at right angles to the said Richmond Street three hundred and seventy-five feet one and five-eighths inches to a point in the middle of Aramingo (late Gunners Run) Canal; thence extending northeastwardly along the middle of said Canal by ground now or late of Warnick and Leibrandt two hundred and twenty-two feet three and seven-eighths inches to a point at an angle in said Canal; thence still northeastwardly along the middle of said Canal by said last-mentioned ground one hundred and one foot eight and one-half inches to a point in the southwesterly side of said Norris Street extended; thence extending southeastwardly along the southwesterly side

of said Norris Street extended as aforesaid four hundred and eighty-nine feet nine and one-quarter inches to the first-mentioned point and place of beginning.

And the other thereof, situate at the northeasterly corner of Richmond Street and Plum Street containing in front or breadth on the said Richmond Street seventy-two feet and extending of that width in length or depth southeastwardly between parallel lines at right angles to the said Richmond Street and along the northeasterly side of the said Plum Street one hundred and eighty feet to Claiborne Street. Bounded northeastwardly by ground now or late of Joseph S. Huber *et al.*, southeastwardly by the said Claiborne Street, southwestwardly by the said Plum Street and northwestwardly by Richmond Street aforesaid.

Under and Subject to a certain mortgage debt of fifty thousand dollars (\$50,000) [reduced from seventy thousand dollars (\$70,000) by payment on account thereof] secured upon said premises by Indenture of Mortgage given and executed by Richard Torpin, Jr., *et al.*, to Joseph E. Gillingham *et al.*, dated January 4th, A. D. 1882, and recorded at Philadelphia, in Mortgage Book J. O. D, No. 10, page 41, etc., together with the interest due and to become due thereon.

(Being the same premises [as to above tracts 6, 7 and 8] which Charles H. Cramp, by deed dated the thirtieth day of April, A. D. 1897, and intended to be forthwith recorded, granted and conveyed [subject as aforesaid] unto the Lehigh Valley Railroad Company, its successors and assigns.)

Also, The rights, interests, equities, claims and demands as particularly set forth in certain declarations of trust made, executed and delivered to the Trustee herein for the benefit of the holders of the bonds secured hereby, to wit:

(a) Declaration of Trust, Charles Hartshorne to The Girard Life Insurance, Annuity and Trust Company of Philadelphia dated April 30th, 1897, as to certain real estate in Jersey City, containing eight and one-third acres, more or less, conveyed to said Hartshorne by Aaron W. Kellogg and wife by deed dated April 20, 1896, and recorded in Book 643 of Deeds, page 636, &c., in the office of the County of Hudson, N. J.

(b) Declaration of Trust, Charles Hartshorne to The Girard Life Insurance, Annuity and Trust Company of Philadelphia dated April 30, 1897, as to certain real estate in Pottsville, Schuylkill, Pa., fully described in the following deeds:

(1) Henry C. Andrew and wife to Charles Hartshorne, dated May 1, 1893, and recorded in the office of the Recorder of Deeds in and for the County of Schuylkill, Pennsylvania, in Deed Book No. 242, page 308, &c. (2) Andrew B. Cochran and wife to Charles Hartshorne, dated March 3, 1893, and recorded in same office in Deed Book No. 242, page 320, &c.

(3) Henry C. Russell to Charles Hartshorne, dated March 3, 1893, and recorded in said office in Deed Book No. 242, page 324, &c.

(c) Declaration of Trust Elisha P. Wilbur to The Girard Life Insurance, Annuity and Trust Company of Philadelphia as to certain real estate in the City of Bayonne, New Jersey, fully described in the following deeds :

(1) Francis J. Sheehan to Elisha P. Wilbur, dated July 23, 1894, and deed of confirmation dated August 15, 1894, and respectively recorded in the office of the Register of Hudson County, New Jersey, in Book 602 of Deeds, page 419, &c., and Book 604 of Deeds, page 291, &c. (2) Reon Barnes to Elisha P. Wilbur, dated August 1, 1889, and recorded in said office in Book 487 of Deeds, page 25, &c. (3) Reon Barnes to Elisha P. Wilbur, dated June 8, 1889, and recorded in said office in Book 482 of Deeds, page 278, &c. (4) Francis J. Sheehan to Elisha P. Wilbur, dated July 23d, 1894 ; recorded in said office in Book 602 of Deeds, page 423, &c.

THIRD. Certain mortgages on real estate, as follows :

Mortgage dated January 31st, 1885, made by Elisha A. Packer to the Lehigh Valley Railroad Company, securing bond for \$200,000, with interest thereon, upon certain premises situate partly in Kline Township, Schuylkill County, and partly in Lausanne Township, Carbon County, State of Pennsylvania, in said Indenture of Mortgage fully described ; Recorded in the office for recording of deeds, etc., in and for the County of Schuylkill, in Mortgage Book 4 B, page 240, and in the office for recording of deeds, etc., in and for the County of Carbon, in Mortgage Book No. 12, page 13, etc., on which there is due \$89,294.30.

Mortgage dated June 4th, 1884, made by the Warrior Run Mining Company to the Lehigh Valley Railroad Company, securing bond for \$100,000, with interest thereon, upon a certain mining lease of premises situate in Hanover Township, Luzerne County, State of Pennsylvania, in said Indenture of Mortgage fully described ; Recorded in the office for recording of deeds, &c., in and for the County of Luzerne, in Mortgage Book No. 45, page 413, &c., on which there is due \$63,186.70.

Mortgage dated May 9th, 1893, made by Francis J. Sheehan to the New Jersey and New York Abattoir Company, securing bond for \$700,000, with interest thereon, upon certain premises situate at the southeasterly corner of Forty-fourth Street and First Avenue, in the City of New York, in said Indenture of Mortgage fully described ; Recorded in the office of the Register of the City and County of New York, in block series (Mortgages), Section 5, Liber 25, page 382 ; assigned by said New

Jersey and New York Abattoir Company to the Lehigh Valley Railroad Company by deed-poll of assignment dated June 12th, 1894, and intended to be forthwith recorded.

Mortgage dated April 30th, 1897, made by Elisha P. Wilbur to the Lehigh Valley Railroad Company, securing \$239,398.00 with interest thereon, upon certain premises situate in the City of Bayonne, County of Hudson, and State of New Jersey, in said Indenture of Mortgage fully described; which Indenture is intended to be forthwith recorded.

FOURTH. CERTAIN BONDS secured by mortgages of the several following corporations, to be delivered to the Trustee as hereinafter provided, and for several aggregate principal sums as follows, viz.:

Morris Canal and Banking Co.....	\$500,000 00
Schuylkill and Lehigh Valley R. R. Co.	2,000,000 00
Rochester Southern R. R. Co.....	425,000 00
Lehigh Valley Coal Co. (mortgage dated October 1st, 1892).....	1,400,000 00
Lehigh Valley Coal Co. (mortgage dated April 30, 1897).....	5,000,000 00
Hazleton Coal Co.....	2,000,000 00
Coal Ridge Improvement and Coal Co..	384,500 00
Lehigh Valley Terminal Ry. Co. Car Trust.....	900,000 00
Greenville and Hudson Railroad Co...	350,000 00

Together with such overdue coupons belonging to any such bonds as shall at any time be delivered to, or be in the possession of, the Trustee.

FIFTH. THE FOLLOWING SHARES OF CAPITAL STOCK now belonging to the Railroad Company for which proper certificates are to be transferred, either by the Railroad Company or by the record holder of the certificates for such shares, to the Trustee as hereinafter provided.

I.

Depew & Tonawanda Railway Company.....	\$500,000
Easton and Amboy Railroad Company.....	6,000,000
Easton & Northern Railroad Company.....	300,000
Greenville & Hudson Railway Company.....	400,000
Loyalsock Railroad Company.....	300,000
Lehigh Valley Rail Way Company.....	5,900,000
do Terminal Railway Company.....	10,000,000
do Transportation Company.....	750,000
Pittstown Branch Railway Company.....	40,000
Perth Amboy & Raritan Railway Company.....	12,000
Rochester Southern Railway Company.....	800,000
Schuylkill & Lehigh Valley Railroad Company....	1,998,400
Wilkes Barre & Harvey's Lake Railroad Company	150,000
Waverley & State Line Railroad Company.....	10,000

II.

Canastota Northern Railroad Company.....	\$200,000
Canal Railroad Company.....	60,000
Elmira Transfer Railroad Company.....	10,000
Elmira, Cortland & Northern Railroad Company..	2,000,000
Hazleton Coal Company.....	500,000
Lehigh Valley Coal Company.....	650,000
Lehigh & New York Railroad Company, preferred	2,148,300
Pennsylvania & New York Canal & Railroad Com- pany.....	1,051,200
Westwood Coal Company.....	165,000

III.

Buffalo Creek Railroad Company.....	125,000
Anthracite Coal & Improvement Company.....	257,860
Coal Ridge Improvement & Coal Company.....	807,550
do do preferred	86,500
Highland Coal Company.....	120,000
Mineral Spring Coal Company.....	195,900
National Docks Railway Company.....	1,375,000
National Docks and New Jersey Junction Connect- ing Railway Company.....	271,500
New York & Middle Coal Field Railroad & Coal Co.	1,061,150
Wyoming Valley Coal Company.....	922,200

SIXTH. ALL RIGHT, TITLE AND INTEREST of the Lehigh Valley Railroad Company, whether now held or hereafter acquired, in

or to any and all other shares of stock of any of the companies above enumerated in Subdivision Fifth.

SEVENTH. ALL STOCKS, BONDS, CERTIFICATES of indebtedness, claims and other property of every name and nature, now owned or hereafter acquired by the Railroad Company which, by any of the provisions of this indenture, it is required to pledge, assign or transfer to the Trustee.

EIGHTH. ALL PROPERTY OF EVERY NAME and nature, from time to time hereafter, by delivery or by writing of any kind, for the purposes hereof, pledged, assigned, or transferred by the Railroad Company or by any one in its behalf to the Trustee, which is hereby authorized to receive any property, at any and all times, as and for additional security, and also, when and as hereinafter provided, as substituted security, for the payment of bonds issued or to be issued hereunder, and to hold and apply any and all such property subject to the terms hereof.

NINTH. ALL ESTATES, LANDS, PROPERTIES, rights, privileges and franchises, real, personal or mixed, hereafter acquired by the Railroad Company, as appurtenant or incidental to, or in replacement of, or substitution for, any of the mortgaged premises above described.

To have and to hold, the premises, properties, real or personal, rights, franchises, estates, appurtenances, stocks and bonds hereby conveyed and assigned, or intended to be conveyed or assigned, by the Railroad Company, unto the Trustee, its successor or successors and assigns forever, but upon the trusts hereinafter declared :

Subject, as to certain portions of the property hereby mortgaged and conveyed, to the herein recited mortgages of

the Railroad Company so far as such mortgages respectively cover such property."

But, as to all property hereby or hereunder conveyed or pledged, in trust nevertheless, for the equal and proportionate benefit and security of all present and future holders of the bonds and interest obligations issued and to be issued under and secured by this indenture, and for the enforcement of the payment of said bonds and interest obligations, when payable, and the performance of, and compliance with, the covenants and conditions of this indenture; without preference, priority or distinction as to lien or otherwise of any one bond over any other bond by reason of priority in the issue or negotiation thereof, so that each and every bond, issued and to be issued as aforesaid, shall have the same right, lien and privilege under and by this indenture, and so that the principal and interest of every such bond shall, subject to the terms hereof, be equally and proportionately secured hereby, as if all had been made, executed, delivered and negotiated simultaneously with the execution and delivery of this indenture; it being intended that the lien and security of this indenture shall take effect from the day of the date hereof without regard to the date of actual issue, sale or disposition of said bonds as though, upon such day, all of said bonds were actually issued, sold and delivered to, and in the hands of, innocent holders for value.

AND IT IS HEREBY EXPRESSLY COVENANTED that all such bonds and the coupons for interest thereon are to be issued, certified, and delivered, and that the mortgaged premises are to be held by the Trustee subject to the further covenants, conditions, uses and trusts hereinafter set forth; and it is covenanted between the parties hereto as follows, viz.:

ARTICLE ONE.

SECTION 1. All bonds to be secured hereby shall, from time to time, be executed and delivered by the Railroad Company to the Trustee for certification, and thereupon the Trustee shall certify and deliver the same as provided in this Article, and not otherwise. The aggregate amount of bonds issued and outstanding under this indenture at any one time shall never exceed the principal sum of \$15,000,000.

Only such bonds as shall bear thereon endorsed the Trustee's certificate by it duly executed shall be secured by this indenture, or shall be entitled to any lien or benefit hereunder; and every such certificate of the Trustee upon any bond executed in the behalf of the Railroad Company shall be conclusive evidence that the bond so certified has been duly issued hereunder and is entitled to the benefit of the trust hereby created. On the request of the Railroad Company, such certificates shall be made and bonds to the extent of \$8,000,000 shall be delivered hereunder in advance of record of this indenture; but the Railroad Company shall cause record of this indenture as a mortgage upon real estate to be made with all convenient speed.

The bonds and the certificates for shares specifically enumerated in Subdivisions Third, Fourth and Fifth of the granting clauses hereof as by the Railroad Company to be transferred to the Trustee hereunder, shall, prior to the certification of any bonds hereunder, be assigned and delivered to, and pledged with the Trustee under this indenture; *excepting, however,* \$1,615,000 bonds of the Schuylkill and Lehigh Valley Railroad Company, \$1,400,000 bonds of the Lehigh Valley Coal Company issued under its mortgage dated October 1st, 1892, \$120,000 bonds of the Hazleton Coal Company and \$250,000 Car Trusts of the Lehigh Valley Terminal Company, all of which shall be delivered to the Trustee as fast as released from existing pledges and in any event not later than November 1st, 1897.

Before certifying or delivering any coupon bond hereby secured, the Trustee shall cut off and cancel all coupons thereof then matured; and the Trustee shall not certify or deliver any registered bond bearing interest from any date more than six months prior to such certification or delivery.

Until the bonds intended to be secured hereby can be engraved and printed from engraved plates, the Railroad Company may execute and deliver printed bonds, registered or negotiable by delivery, and substantially of the tenor of the bonds hereinbefore recited, except that no coupons shall be attached to any of said bonds, and the same may be for the payment of one thousand dollars or any multiple thereof, as the Railroad Company may determine. All such printed bonds shall have stamped upon their face, "Temporary bond, exchangeable for engraved coupon or registered bonds," and shall be duly certified by the Trustee of this mortgage in the same manner as the bonds hereinbefore described, and such certificates shall be conclusive evidence that the same have been issued in accordance with this mortgage or deed of trust, and are entitled to the security thereof. Such printed bonds, duly issued and certified hereunder, shall be exchangeable for engraved coupon bonds, to be issued hereunder, and upon any such exchange such printed bonds shall forthwith be canceled by the Trustee. Until so exchanged, such printed bonds shall in all respects be entitled to the lien and security of these presents as bonds issued and certified hereunder, and interest, when and as payable, shall be paid and endorsed thereon.

SEC. 2. Of the bonds authorized to be issued under and secured by this indenture, bonds to the amount of eight million dollars (\$8,000,000), immediately upon the execution and delivery hereof, or as soon as may be thereafter, shall by the Trustee be certified and delivered to the Railroad Company.

SEC. 3. The remainder of the authorized issue hereunder, amounting to \$7,000,000 of said bonds, shall be reserved, to be executed, and to be certified by the Trustee, not immediately, but only when and as called for by resolution of the Board of Directors of the Railroad Company as next hereinafter provided, for the following purposes, or some one or more of them, viz. :

(a) For the construction or acquisition, on and after January 1st, 1900, of railway lines, extensions, terminal properties or rolling stock ; or for the construction or acquisition on and after that date of other railway property ; or for the construction of railway or terminal betterments, on and after that date ; all such construction or betterments, or property acquired, to be upon, along, or appurtenant to the properties of the Railroad Company at the time of such use subject to the lien of this indenture, or upon, along or appurtenant to properties of some one or more of the other companies mentioned in Subdivision Fifth of the granting clauses hereof under the heading "I." or of some other company of whose capital stock no part is now pledged hereunder, but of whose capital stock more than one-half, at the time of such use, shall be pledged hereunder, it being intended that such lines, extensions or terminal properties or other property may be constructed or acquired by and in the name of the Railroad Company or by or for account of any such other company ; or for the acquisition on and after January 1st, 1900, of shares, bonds or other obligations of any company (of whose capital stock no part is now pledged hereunder) owning any such line, extension, terminal property, rolling stock or other property (provided that any such acquisition of stock, either by itself, or in connection with the stock of such company previously pledged hereunder, shall constitute more than one-half of the total stock of such company, and provided further that, after the pledge of more than one-half of the capital stock of any such company, no bonds, shares or other obligations of such company thereafter

issued shall be acquired hereunder unless a sum equal to the entire proceeds of the bonds used therefor shall have been applied by such company to the acquisition or construction of new property or betterments) ; or

(b) For the acquisition of additional bonds of the Lehigh Valley Coal Company to be issued under its mortgage dated April 30th, 1897; provided that, in every case of any such acquisition, the par value of such bonds so acquired shall be equal to the par value of the bonds hereby secured, used for such acquisition ; or

(c) To reimburse the Railroad Company for outlays or advances by it made for, or to promote, any construction or acquisition made pursuant to (a) or (b) hereof on or subsequent to January 1st, 1900.

The bonds reserved under this Section shall by the Trustee be certified and delivered to the Railroad Company, or upon its order, as follows, and not otherwise, viz. :

(1) Such bonds shall be certified and delivered by the Trustee from time to time only as and when it shall receive a copy of a resolution of the Board of Directors of the Railroad Company, certified by its Secretary or Assistant Secretary, calling for the certification and delivery of such bonds, and stating that such bonds or their proceeds will be set aside separate and apart from all other assets and funds of the Railroad Company, and will be used only for purposes authorized by this Section.

(2) On January 1st, 1900, or on any day thereafter (prior to December 31st, 1900), bonds to such amount as shall be called for in such resolution, but not exceeding in the aggregate \$1,000,000, par value, shall be so certified and delivered.

(3) In each calendar year after December 31st, 1900, there shall be so certified and delivered such additional amount of

such bonds, not exceeding \$1,000,000 par value in any calendar year, as, from time to time, shall be called for in similar resolutions; but in every instance, before certifying and delivering any of the bonds reserved under this Section (except the \$1,000,000 deliverable in the year 1900), the Trustee shall require the Railroad Company to furnish, in addition to such resolutions of its Board of Directors, the verified certificate or certificates of some person or persons, stating as of his or their own knowledge :

(a) that all bonds certified and delivered under this Section since the last previous delivery under this Section, or the proceeds of all such bonds, have been used for such purposes, or for some one or more of them, or to reimburse the Railroad Company as above provided, specifically indicating every such acquisition or construction of any railroad, structure, betterment, rolling stock or other property, and every such acquisition of bonds of the Lehigh Valley Coal Company and every such acquisition of stock, bonds or other obligations of any other company owning any railroad or other property (which stock, bonds or other obligations shall be acquired only when a majority of the total capital stock of such company shall be thereby pledged as aforesaid unless previously thereto such majority shall have been acquired and pledged hereunder) and also stating in detail the amount of bonds, or proceeds of bonds, used or expended for each and every such purpose, and whether such acquisition was by or in the name of the Railroad Company, or by or for account of any other company as herein authorized; and also that no acquisition, construction, or expenditure stated in such certificate was stated in any previous certificate;

(b) that the price paid in such bonds, or their proceeds, for any such construction, or acquisition (other than for bonds of the Lehigh Valley Coal Company, as

aforesaid), was not in excess of the fair value of the work done or property acquired, and that the bonds included in such verified certificate were sold, disposed of, or otherwise accounted for, at not less than their fair market value at the time of such sale, disposition or accounting.

(c) In case of the acquisition hereunder of any new property in behalf of the Railroad Company (other than stocks, bonds or other obligations), every such verified certificate also shall state whether such property so acquired is known, or believed, to be subject to any lien or charge prior to this indenture, other than (1) the mortgages securing outstanding bonds mentioned in Section 5 of Article Two hereof (or mortgages created in renewal or extension of any such existing mortgages), mortgage bonds, or other liens, or charges, held by the Trustee, or in respect of which, as hereinafter provided, bonds shall have been reserved hereunder, (2) mortgages now existing on the property of any company above mentioned under the heading "I." in Subdivision Fifth of the granting clauses hereof, or mortgages created in renewal or extension of any such existing mortgages, (3) any undetermined liens or charges incidental to construction, (4) ordinary operating accounts; and such verified certificates shall specify the amount of any such prior lien or charge (other than as aforesaid) known or believed to exist; and in case of the acquisition of any shares of the capital stock, bonds or other obligations of any company (except bonds of the Lehigh Valley Coal Company) by the use of such bonds or their proceeds, every such verified certificate shall state whether the property of such company is known or believed to be subject to any lien or charge, and whether such company is known or believed to have any

indebtedness, except ordinary operating accounts, and except, also, indebtedness to the Railroad Company, and liens, charges and indebtedness held by the Trustee hereunder, or in respect of which bonds shall have been reserved hereunder, and excepting also mortgages now existing on the property of any company mentioned, as aforesaid, under the heading "I." in Subdivision Fifth of the granting clauses hereof, or mortgages created in extension or renewal of any such existing mortgages, such verified certificate in each instance specifying the amount of any such debt, lien or charge.

Any such verified certificate under this Section may state any other facts pertaining to the right to certify and deliver bonds hereunder.

(4) The Company shall not by use of any such bonds reserved under this Section, or their proceeds, in any one calendar year acquire or construct new property, or acquire shares in, or bonds or other obligations of, any other company (except bonds of the Lehigh Valley Coal Company), if the amount of the mortgage or other liens and charges, prior to this indenture, upon such new property acquired or constructed in that year, and any and all indebtedness of such other Company or Companies (except the Lehigh Valley Coal Company) whose shares or bonds or other obligations shall be so acquired, shall in the aggregate exceed \$2,000,000—excepting, however, the mortgages securing outstanding bonds of the Railroad Company mentioned in Section 5 of Article Two hereof, (or mortgages created in renewal or extension of any such existing mortgages), the mortgages now existing on the property of any company mentioned as aforesaid under the heading "I." in Subdivision Fifth of the granting clauses hereof (or mortgages created in renewal or extension of any such existing mortgages), and any mortgage bonds, or other liens, charges

or indebtedness held by the Trustee hereunder, or in respect of which, as hereinafter provided, bonds shall have been reserved in any previous calendar year, or years, and excepting also any undetermined liens or charges incidental to construction, any indebtedness of any such other company to the Railroad Company and ordinary operating accounts.

In case there shall be acquired or constructed by use of such bonds, or their proceeds, any property subject to any such certified lien, charge or indebtedness, or in case by such use there shall be acquired any shares in, or bonds or other obligations of, a company (other than the Lehigh Valley Coal Company) certified as aforesaid to be indebted (not including, however, liens, charges and indebtedness of the classes above excepted), then during the continuance of such lien, charge or indebtedness, there shall be set apart out of the bonds reserved under this Section an amount at par equivalent to such certified liens, charges or indebtedness; and the bonds so set apart shall be taken from the \$1,000,000 bonds under this Section deliverable in such calendar year, or in the next two succeeding calendar years, as may be agreed between the Railroad Company and the Trustee. Thereafter the bonds so set apart shall, from time to time, be executed and certified, upon the order of the Railroad Company, and delivered and used for the retirement or acquisition of such certified liens, charges or indebtedness in amounts equivalent at least to the par amount of the bonds certified and delivered therefor, and all the liens, charges or indebtedness so retired or acquired shall be canceled or, if practicable, shall be assigned to and held by the Trustee in such manner as, in its judgment, shall best protect the holders of the bonds hereby secured.

(5) Every such verified certificate, unless signed (1) by the President, or by one of the Vice-Presidents, and (2) by the Comptroller, or Auditor, or Treasurer, of the Railroad Company, shall be accompanied by a written statement of one of the

officers first above designated and one of the officers secondly above designated of the Railroad Company that they believe such certificate to be true, and that such bonds have not been used and the expenditures therein certified have not been made for ordinary maintenance of the property owned, leased, or in any way controlled by the Railroad Company or for replacements or other purposes ordinarily treated by similar companies, or companies owning similar properties, as a part of their operating expenses. Together with such statements and verified certificates, there shall be delivered to the Trustee all bonds and certificates for all shares of stock so acquired, and such further instruments and conveyances as may be necessary to vest in the Trustee all new property so acquired, so far as the same shall have been acquired by or for the Railroad Company, and, so far as practicable, any and all other liens, charges or indebtedness taken up or acquired with the said bonds or their proceeds; and also the written opinion of counsel of the Railroad Company to the effect that such instruments and conveyances are sufficient for that purpose, or that no instrument or conveyance is necessary. The certificates for all shares of stock so acquired shall be duly transferred into the name of the Trustee, and, if practicable, any bonds so acquired shall be transferred in like manner, or, if not susceptible of such transfer, they may, in the discretion of the Trustee, be plainly endorsed as the property of the Trustee hereunder. Such resolutions, statements, verified certificates and opinion (together with the pledge with the Trustee of all bonds and certificates for all shares of stock so acquired) shall be deemed and taken as plenary authority to the said Trustee for its certification of such bonds under the foregoing provisions of this Article.

(6) Except to retire or acquire liens, charges or indebtedness for which bonds so used shall have been reserved, as hereinbefore provided, and except to supply deficiencies as next

hereinafter provided, there shall not be issued or certified under this Section in any one calendar year bonds in excess of an aggregate amount of \$1,000,000.

If in any calendar year after January 1, 1900, the Trustee shall not have so certified and delivered to the Railroad Company or upon its order One million dollars (\$1,000,000) bonds so authorized to be certified and delivered for such calendar year, the right of the Railroad Company to require certification and delivery of any such residue of such \$1,000,000 bonds so authorized to be certified and delivered but not actually certified and delivered in such calendar year shall not lapse nor be extinguished, but such residue of such \$1,000,000 bonds not so certified and delivered for any such calendar year shall be certified and delivered by the Trustee to the Railroad Company or upon its order from time to time in any subsequent year or years (before or after the expiration of the seven years beginning with the year 1900) upon the resolution of the Railroad Company, as hereinbefore provided, accompanied by the statements, verified certificates and opinion hereinbefore prescribed, notwithstanding the fact that under the provisions of this Section and to the extent herein authorized there shall thereby be certified and delivered by the Trustee in such year or years more than \$1,000,000 Bonds.

(7) Any of the said \$7,000,000 of bonds reserved under the provisions of this section may be issued at a lower rate of interest than five (5) per cent. and any part or all of the entire issue of \$15,000,000 of bonds issued under this mortgage may be extended at a less rate of interest than five (5) per cent. or the interest on any bond hereby secured may at any time from time to time be reduced with the consent of the then holder of such particular bond.

SEC. 4. Whenever any coupon bond or bonds, together with all unmatured coupons thereto belonging, shall be surrendered for exchange for a registered bond, the Railroad Company

shall issue, and the Trustee shall certify and deliver, in exchange for such coupon bond, a registered bond of like amount, without coupons. Such registered bonds shall be for \$1,000, and shall bear interest at the same rate as the surrendered coupon bond, and from the date of the last matured coupon thereof. In every case of such exchange the Trustee forthwith shall cancel the surrendered bond and coupons, and shall deliver the same to the Railroad Company.

Whenever any such registered bond shall be surrendered for transfer, the Railroad Company shall issue, and the Trustees shall certify and deliver, to the transferee, upon surrender and cancellation of the bond or bonds transferred, a like amount of new registered bonds; but no registered bond may be converted into a coupon bond.

For any exchange of coupon bonds for registered bonds, and for any transfer of registered bonds without coupons, the Railroad Company, at its option, may make a charge not exceeding fifty cents for each new registered bond issued in exchange for any surrendered bond or bonds; but no charge shall be made for registration of the principal of coupon bonds.

In case any coupon bond issued hereunder, with the coupons thereto appertaining, or any registered bond without coupons, shall become mutilated or be destroyed, the Railroad Company, in its discretion, may issue, and the Trustee thereupon may certify and deliver, a new bond of like tenor and date, bearing the same serial number, in exchange and substitution for, and upon cancellation of, the mutilated coupon bond and its coupons, or the registered bond, or in lieu of, and substitution for, the coupon bond and its coupons, or the registered bond, so destroyed, upon receipt by the Railroad Company of satisfactory evidence of the destruction of such coupon bond and its coupons, or of such registered bond, and upon receipt also of satisfactory indemnity.

SEC. 5. Nothing in this Article, or in any other Article, of this indenture expressed or implied, is intended, or shall be

construed, to confer upon any person or corporation, other than the parties hereto and the holders of bonds secured by this indenture, any legal or equitable right, remedy or claim under or in respect of this indenture, or any covenant, condition or stipulation thereof; all its covenants, conditions and stipulations being intended to be, and being for the sole and exclusive benefit of the parties hereto and of the holders of bonds hereby secured.

ARTICLE TWO.

THE RAILROAD COMPANY COVENANTS AS FOLLOWS :

SECTION 1. It will well, duly and punctually pay, or cause to be paid, to every holder of any bond issued and secured hereunder, the principal and interest accruing thereon, at the dates and place and in the manner mentioned in such bonds, and in the coupons thereto belonging, according to the true intent and meaning thereof, without deduction from either principal or interest for any tax or taxes imposed by the United States, or any State, County, or Municipality therein, which the Railroad Company may be required to pay, or to retain therefrom, under or by reason of any present or future law. When and as paid, all coupons shall forthwith be canceled.

SEC. 2. All lines of railway and all property of every kind, and all interest therein, when and as and to the extent hereafter acquired, as above provided, out of bonds, or the proceeds of bonds, secured by this indenture, or out of other funds received pursuant to any provision hereof, immediately upon, and subject to the terms and conditions of, such acquisition, and without any further conveyance or assignment, shall become and be subject to the lien of this indenture as fully and completely as though now owned by the Railroad Company, and expressly and speci-

fically conveyed by, and embraced in, the several granting clauses of this indenture ; but at any and all times the Railroad Company will execute and deliver any and all such further assurances or conveyances thereof as the Trustee may reasonably direct or require, for the purpose of expressly and specifically subjecting the same to the lien of this indenture.

SEC. 3. Whenever demanded by the Trustee, the Railroad Company will grant, convey, confirm, assign, transfer and set over unto the Trustee, all real and personal estate, corporate rights and franchises which, in any way or manner, it shall acquire as incidental or appurtenant to, or for use upon, any property mortgaged hereunder, or to or upon the property of any company of which any stocks or bonds are or shall be pledged hereunder ; and will also do, execute, acknowledge and deliver, and cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, conveyances and transfers, and assurances in the law, for better assuring, conveying and confirming unto the Trustee all and singular the hereditaments and premises, estates and property hereby conveyed, or intended so to be, or which it has herein covenanted and agreed hereafter to convey to the Trustee, as the Trustee shall reasonably require for better accomplishing the provisions and purposes of this indenture, and for securing payment of the principal and interest of the bonds intended to be hereby secured ; and whenever demanded by the Trustee the Railroad Company will endeavor to procure from all companies, of which the capital stock or the bonds or any part of either shall be pledged hereunder, all conveyances or assurances in law necessary to bring under the lien of this indenture any and all property connected with or incidental or appurtenant to the property of any such company, constructed or acquired by use of any bonds reserved under Section 3 of Article One, or of any other funds received pursuant to any provision hereof.

But nothing expressed or implied in this indenture is intended, or shall be construed, to limit the right or power of the Railroad Company, hereby expressly reserved, by the use of its credit or in any manner, except by the use of such reserved bonds, or funds received pursuant to any provision hereof, to construct or to acquire property of any kind, or interest therein, free from the lien hereof.

SEC. 4. The Railroad Company will, at an office or agency to be maintained by it in the City of Philadelphia, keep a sufficient register or registers of bonds issued hereunder, which registers at all reasonable times shall be open to the inspection of the Trustee; and, upon presentation for such purpose, it will, under such reasonable regulations as it may prescribe, register therein any coupon bonds and any bonds without coupons issued under the provisions hereof.

Upon presentation of any such registered coupon bond, with a written power to transfer the same, executed by the registered holder, such bond shall be transferred upon such register, and thereafter the transferee or transferees of such bond upon such register shall be held to be the owner or owners thereof, and from time to time such transfers may be made as shall be so directed by the registered holder of any such bond for the time being. The registered holder of any such registered coupon bond shall have the right also to cause the same to be registered as payable to bearer, in which case transferability by delivery shall be restored, and thereafter the principal thereof shall be payable to any person presenting the same.

Any holder of a coupon bond registered to bearer may cause such bond to be registered in the name of such holder with the same effect as a first registration thereof; and successive registrations and transfers to bearer as aforesaid may be made from time to time as desired; and such registration shall by the bond registrar be noted on the bond.

Any registered bond without coupons may be transferred by instrument in writing executed by the registered holder upon surrender of the bond and payment of the charge for such transfer, in which case a like amount of new registered bonds will be issued to the transferee as provided in Section 4 of Article One hereof.

As to all bonds so registered, the person in whose name the same shall be registered shall for all purposes of this indenture be deemed and regarded as the owner thereof, and thereafter payment of or on account of the principal of such bond, if it be a coupon bond, and of the principal and interest, if it be a registered bond without coupons, shall be made only to such registered holder or upon his order; but such registration may be changed as hereinbefore provided. All such payments so made shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid.

No registration of any coupon bond shall restrain the negotiability of any coupon thereto belonging, but every such coupon shall continue to pass by delivery merely.

SEC. 5. Until such bonds shall be paid and discharged, the Railroad Company will duly, punctually and regularly pay or cause to be paid as from time to time the same shall accrue the interest on all its outstanding bonds as follows:

First	Mortgage 6% bonds, due 1898....	\$5,000,000
Second	Mortgage 7% " " in 1910....	6,000,000
	Consolidated Mortgage 6% " " " 1923....	6,248,000
do.	6% Annuity bonds.....	10,062,000
do.	4½% bonds due in 1923...	4,762,000
do.	4½% Annuity bonds.....	2,538,000
	Car Trust bonds.....	1,450,000
		<hr/> \$36,060,000

and also upon any further bonds which shall be issued under its Consolidated Mortgage, and in the mean-

time it will observe, or will cause to be observed, all the covenants, terms and conditions undertaken by, or imposed upon, said Railroad Company, in or by any such bonds or the several respective mortgages securing the same, and in all cases it will duly and punctually pay the principal of such bonds at the several dates of the maturity thereof as now fixed or as from time to time hereafter extended as in this section permitted. But nothing in this article or in any other article of this indenture is intended, or shall be construed, to require the Railroad Company, not then being otherwise in default hereunder, to pay the principal of any such outstanding bond during any period for which the same shall have been extended or renewed as next hereinafter permitted ; the right being hereby expressly reserved by the Railroad Company in the discretion of its Board of Directors, from time to time, (1) to extend the time for the payment of the principal of any said outstanding bonds, or (2) in substitution for any such outstanding bonds to issue new bonds of lien prior to this indenture, but not to increase the aggregate principal sum or the rate of interest of such outstanding bonds, except as provided by the terms of the said Consolidated Mortgage of the Railroad Company, though the principal and interest of all such new or extended bonds may be made expressly payable in gold coin of the United States of the standard of weight and fineness at the time of the issue or extension thereof. Unless the maturity of any such extended, renewed or substituted bond shall have been accelerated under some provision thereof, or of some mortgage securing such bond, no neglect by the Railroad Company to pay the principal of any such extended, renewed or substituted bond until the expiration of any period for which such extension, substitution or renewal shall have been made, shall constitute a default or breach under any provision of this indenture.

SEC. 6. The Railroad Company will not (except as above provided) voluntarily create or suffer to be created any lien or

charge upon the mortgaged premises or any part thereof, or upon the income thereof, having priority to the lien of this indenture; and, within six months after the same shall accrue, it will pay all lawful claims and demands of mechanics, laborers and others, which, if unpaid, might by law be given priority to this indenture as a lien or charge upon the mortgaged premises or any part thereof, or the income thereof; and if any company, of whose capital stock the greater part now is or hereafter shall be pledged hereunder, shall create or suffer to be created any lien or charge upon its property or income, or create or suffer to be created any indebtedness, other than (1) mortgage or funded indebtedness as hereinafter permitted, (2) indebtedness of the Coal Company as hereinafter permitted, (3) indebtedness to the Railroad Company, or (4) indebtedness for the current operating expenses of such company during a period not exceeding six months, then it, the Railroad Company, will pay and discharge the same, or will acquire the same and transfer the same to the Trustee for the benefit of this mortgage.

SEC. 7. The Railroad Company from time to time will pay and discharge all taxes, assessments and governmental charges lawfully imposed upon the premises hereby mortgaged, or upon any part thereof, or upon the income and profits thereof, the lien of which would be prior to the lien hereof, so that the priority of this indenture shall be fully preserved in respect of such properties; and if any company of whose capital stock the greater part now is, or hereafter shall be, pledged hereunder, shall, at any time during the continuance of any such pledge, fail to pay all such taxes, assessments and charges lawfully imposed upon the property of such company or upon the income and profits thereof, then it, the Railroad Company, will itself pay and discharge the same; provided that the covenants of this Section shall not require the Railroad Company to pay any tax, assessment or charge, so long as the validity thereof is in good faith contested.

SEC. 8. The Railroad Company from time to time and at all times during the continuance of this indenture, and until the payment of all bonds issued hereunder, will maintain the mortgaged premises and each and every part thereof, and will replace the same and all parts thereof lost, destroyed or used up. The mining and selling of coal by any Coal Company, without replacement, shall not be construed as a violation of this covenant.

SEC. 9. Except subject to the lien hereof or as herein otherwise expressly provided, the Railroad Company (1) will not sell encumber or by any voluntary act part with its ownership of and title to any shares of stock of any company above enumerated in Subdivision Fifth of the granting clauses hereof, or to any shares of stock of any company which shall hereafter be pledged hereunder (if a majority of the shares of such company shall have been, or shall be, so pledged), or the equity of redemption therein or the voting power thereof; and (2) will hold, subject to the lien hereof, all and singular such stock of every company enumerated in I. and II. of Subdivision Fifth of the granting clauses hereof and of every other company of whose capital stock the greater part shall have been pledged hereunder, and will exercise the voting power thereon in such manner that it shall retain in itself the rights and powers of the holder of the greater part of the capital stock of such company; and (3) will at all times take all such action as, from time to time, may be necessary to preserve the corporate existence and corporate rights of every company of whose capital stock the greater part shall be pledged hereunder.

As such holder of stock of any company above mentioned in I. and II., Subdivision Fifth of the granting clauses hereof, or of stock of any other company whose stock the greater part shall at such time be pledged hereunder, the Railroad Company will not, by affirmative vote, or by abstaining from voting, sanction or permit any increase of the capital stock of any such company or the creation of any so-called "floating" indebted-

ness of any such company (except current operating accounts for a period not at any date exceeding six months prior thereto), or (except in respect of the Lehigh Valley Coal Company to the extent hereinafter permitted) the issue or guaranty of any bonds by any such company, or the creation of any mortgage or other lien upon the railroad or property of any such company (except bonds or mortgages or other liens in extension or replacement of those now existing), unless effective provision be made that all such additional stock (or such part of such additional stock as shall be proportionate to the part of such entire capital stock previously pledged hereunder), and (except as hereinafter provided in respect of the Lehigh Valley Coal Company) that any such indebtedness and the evidences thereof, and any such bonds issued or guaranteed, and any such mortgage or other lien, immediately upon the issue or creation thereof, shall be delivered to and pledged with the Trustee, by it to be held subject to all the trusts of this indenture, with the same effect as if such indebtedness, bonds, mortgage or other lien and shares, had been delivered and pledged to it hereunder at the time of the making hereof; and all such additional stock shall be fully paid and non-assessable. But nothing in this article or in any other article of this indenture is intended, or shall be construed, to require any such company (not then being otherwise in default) to pay the principal of any bond heretofore created by any such company or now secured by mortgage upon its property during any period for which the same shall have been extended or renewed as next hereinafter provided; the right being hereby expressly reserved by the Railroad Company, in the discretion of its Board of Directors, from time to time, to take all necessary steps (1) to procure the extension of the time for the payment of the principal of any such existing bonds, or (2) in substitution for any such existing bonds to procure the issue of new bonds by any such company, but not to increase the aggregate principal sum or

the rate of interest now charged on such property by such existing liens, though the principal and interest of all such new or extended bonds may be made expressly payable in gold coin of the United States of the standard of weight and fineness at the time of such extension.

Except as herein otherwise expressly provided, the Railroad Company will not, by affirmative vote, or by abstaining from voting, sanction or permit any railroad company of whose capital stock the greater part shall be pledged hereunder to sell or otherwise to dispose of its railroad, or to lease the same (unless such lease be terminable hereunder by entry of the Trustee, or by sale, by the Trustee, or pursuant to judicial proceedings), except to some company of whose capital stock there shall then be held or received by the Railroad Company, and shall be pledged or assigned to the Trustee hereunder, an amount not proportionately less than the amount then held hereunder of the capital stock of the Company whose railroad shall be so sold, or shall be otherwise disposed of, or leased.

SEC. 10. Any and all claims and indebtedness (other than bonds now or hereafter pledged or assigned to the Trustee under some provision of this indenture) which the Railroad Company now holds or hereafter may acquire against any other company of whose capital stock the greater part shall have been pledged hereunder, shall be and become subject to the lien of this indenture, and, if and when requested in writing by the Trustee, the Railroad Company will execute to the Trustee appropriate assignments thereof.

SEC. 11. The Railroad Company will not issue, negotiate, sell or dispose of any bonds hereby secured, in any manner other than in accordance with the provisions of this indenture, and the agreements in that behalf herein contained; and in issuing, selling, negotiating or otherwise disposing of such bonds, from time to time, it will well and truly apply, or cause to be applied, the same, or the proceeds thereof, to and

for purposes herein prescribed, and to and for no other or different purpose.

SEC. 12. It is expressly understood that the Lehigh Valley Coal Company, from time to time, may borrow money and secure the repayment thereof, by a pledge or hypothecation of coal when actually mined, or the representatives or proceeds of coal when actually mined, anything in this indenture to the contrary notwithstanding; it being further understood, however, that the amount of money so borrowed shall never exceed the fair market value of coal so actually mined and the representatives and proceeds thereof, then held by the Coal Company.

SEC. 13. The Trustee from time to time, upon request of the Railroad Company, shall give it, or its nominees, suitable proxies to give full effect to the provisions of this Article.

ARTICLE THREE.

SECTION 1. Unless (a) the Railroad Company shall be in default in the payment of some interest on any bond secured by this indenture, or unless default shall be made in the payment of some interest on any bond mentioned in Section 5 of Article Two hereof and such default shall have continued for a period of six months; or unless (b) the Railroad Company shall be in default in the due and punctual payment of the principal of any bond secured hereby, or of any bond mentioned in Section 5 of Article Two hereof, or of any bond (other than bonds held by the Trustee hereunder), for the acquisition of which bonds secured hereby shall be reserved hereunder pursuant to (4) of Section 3 of Article One hereof; or unless (c) the Company shall be in default in the payment of any tax, assessment or other governmental charge lawfully imposed or levied upon any part of the property

and premises hereby mortgaged, or the income and profits thereof, and such default shall have continued for a period of six months after written notice thereof from the Trustee or from holders of five per cent. in amount of the bonds secured hereby; or unless (d) the Railroad Company shall be in default in the due performance and observance of any covenant or condition of this indenture and such default shall have continued beyond the period of grace, if any, herein provided for in respect of such default, and the Trustee shall have entered or shall have elected to enter into possession under the power of entry hereinafter conferred; or unless (e) the Railroad Company voluntarily shall have surrendered to the Trustee possession of the mortgaged premises as hereinafter authorized—the Trustee (except with the assent of the Railroad Company), shall not collect or be entitled to collect the principal or interest of any bonds or other claims or indebtedness now or hereafter pledged with, or assigned to, the Trustee under this indenture; and (1) the Railroad Company shall be entitled to receive all interest paid and dividends declared in respect of any bonds or stocks transferred to or pledged with the Trustee pursuant to any of the provisions of this indenture; and from time to time (subject to the covenants in respect hereof in this section contained), upon the request of the Railroad Company, the Trustee shall deliver to it the coupons for such interest, in order that the Railroad Company may receive payment thereof for its own use, and shall deliver to the Railroad Company suitable orders in favor of the Railroad Company or its nominee for the payment of such dividends and for the payment of such interest on registered bonds; and the Railroad Company may collect such interest and dividends, but not by any proceeding which the Trustee shall deem to be prejudicial to the trusts hereunder; and the Trustee at once shall pay over to the Railroad Company any such interest and dividends which may be collected or received by it; and (2) the Railroad Company shall be entitled for its own use

to demand, receive and collect, release and discharge, the principal or interest of any such claim against, or indebtedness (other than bonds) of, any other company assigned to or pledged with the Trustee hereunder, and upon request of the Railroad Company the Trustee shall execute any re-assignments or releases which may be required for that purpose.

If any such coupon, or if any evidence of any such claim or indebtedness, delivered to the Railroad Company as aforesaid, shall not as aforesaid forthwith be paid and canceled, the Railroad Company shall return the same to the Trustee, and, in case of the payment of any such coupon, claim or indebtedness, shall upon demand of the Trustee furnish satisfactory evidence of the cancellation and extinguishment thereof.

Provided, however, and it is hereby declared and agreed that, except as herein otherwise expressly provided, (1) the Railroad Company shall not be entitled to receive, and the Trustee shall not pay over to it, any principal of any bond pledged or assigned to the Trustee hereunder; (2) the Railroad Company shall not be entitled to receive, and the Trustee shall not pay over, any interest on any such bond or any principal or interest of any such other claim or indebtedness which shall have been collected or paid out of the proceeds of any sale of any property covered by a mortgage securing such bonds, or out of the proceeds of the sale of any other property of the company liable upon such bonds, claims, or indebtedness, it being the intention that the Railroad Company shall be entitled to receive only payments made out of the rents, revenues, income, or proceeds of operation of such properties; (3) the Railroad Company shall not sell, assign or transfer any such coupon or right to dividend, delivered or assigned to it, or any other such claim or indebtedness, except subject to this indenture; (4) the Railroad Company shall not collect any such coupons or

other claims or indebtedness by legal proceedings or by enforcement of any security therefor, except with the assent of the Trustee, nor in any manner which the Trustee shall deem prejudicial to the trust hereunder; and (5) until actually paid or discharged every such coupon or right to dividends and other claims and indebtedness shall in all respects remain subject to the lien of this indenture.

SEC. 2. In case any sum shall be paid to the Trustee on account of the principal of any bond pledged with the Trustee hereunder, or in case, upon the dissolution or liquidation of any company, or out of any sale of the property of any company, any sum shall be paid to the Trustee upon any shares of stock of such company held by the Trustee hereunder, or upon any claims against or indebtedness of such company, as mentioned in Section 1 of this Article, then, in every such case (unless applied as in Section 5 of this Article provided), such sum shall be received by the Trustee and shall be held, used and applied in the same manner as the proceeds of similar property released under Article Six hereof.

SEC. 3. Unless (1) the Railroad Company shall be in default, and such default being one mentioned under (a), (b) or (c) of Section 1 of this Article, shall have continued as therein provided, or being one mentioned under (d) in said Section, the Trustee shall have entered, or shall have elected to enter, into possession, or unless (2) the Railroad Company voluntarily shall have surrendered possession of the mortgaged premises as hereinafter authorized, the Railroad Company shall have the right to vote upon all shares of stock pledged hereunder, for all purposes not inconsistent with the provisions or purposes of this indenture, and with the same force and effect as though such pledge had not been made; and from time to time, upon its demand, the Trustee forthwith shall execute and deliver to it, or its nominees, suitable powers of attorney or proxies for such purposes;

it being expressly understood that, notwithstanding any other provision of this indenture, and in addition to all other purposes not inconsistent with the provisions or purposes of this indenture, if desired by the Railroad Company, such proxies may and shall be given to enable it, or its nominees, to vote, and that accordingly it, or they, may vote, upon all shares of stock of any other company pledged hereunder, (1) to enable such company to change, alter or renew any existing lease of railway or other property now operated by it, or (2) to make a new lease of all or any part of the railway or other property covered by any such existing lease, or to lease additional lines of railway or other property, unless in the opinion of the Trustee, such change, alteration or renewal, or such new lease or such lease of additional lines of railway or other property is likely to be, prejudicial to this trust; it being further expressly understood that notwithstanding any other covenant or provision of this indenture, and for the full accomplishment of the purposes of any vote or power given as in this section permitted, the Railroad Company and any such other company severally and respectively, from time to time, may take any and all action authorized by any such vote or power.

SEC. 4. The Trustee is authorized to cause to be registered in its name as Trustee any and all coupon bonds having provision for registration pledged at any time with it hereunder, or to cause the same to be exchanged, if practicable, for registered bonds of any denomination without coupons, or to cause the same to be stamped "Not negotiable. Held by The Girard Life Insurance, Annuity and Trust Company of Philadelphia, as Trustee, under the Mortgage of Lehigh Valley Railroad Company, dated May 1st, 1897." The Trustee shall cause to be transferred into its name as Trustee hereunder all registered bonds and all shares of stock delivered and assigned to it or which at any time hereafter may be delivered and assigned to it as security hereunder; excepting, however, the capital

stock of the Easton and Amboy Railroad Company and the capital stock of the National Docks Railway Company, which, so long as there shall be no default under this indenture, shall remain registered in the name of the Lehigh Valley Terminal Railway Company. Until such default, said Lehigh Valley Terminal Railway Company may vote said shares of the Easton and Amboy Railroad Company and of the National Docks Railway Company, but not for any purpose inconsistent with the provisions or purposes of this indenture.

The Trustee may do whatever may be necessary for the purpose of maintaining or preserving the corporate existence of any and all companies, any of whose shares shall, at any time, be pledged hereunder, and for such purposes, from time to time, it may sell, assign, transfer and deliver so many shares of the stocks of the several companies as may be necessary to qualify persons to act as Directors of, or in any other official relation to, said companies; provided, however, that under this provision no transfer shall be made which shall reduce the amount of stock in any company, held by the Trustee to less than a controlling interest in such stock; and in all cases the Trustee may make such arrangements as it shall deem necessary for the protection of the trust hereunder.

SEC. 5. If any default shall be made in the payment of the principal or interest of any mortgage bonds at any time pledged hereunder, or of other bonds secured by the same mortgage as such bonds held by the Trustee, then, in any such case, the Trustee, upon the written request of the Railroad Company, shall cause proper proceedings to be instituted and prosecuted in some court of competent jurisdiction to foreclose the mortgage or mortgages by which such bonds are secured; but in any case where not less than seventy-five per cent. in amount of the principal of all the bonds secured by any mortgage are pledged hereunder, proceedings to foreclose such mortgage shall be taken only under such condi-

tions as in the judgment of the Trustee will enable it either to obtain par and interest for the bonds secured by such mortgage held by it, or else to acquire the property covered by such mortgage, and to subject to the lien hereof such property, or securities representing such property, as hereinafter provided. The Trustee, however, shall not be liable for any error of judgment in respect of such proceedings or their outcome.

In case the Railroad Company shall be in default in the payment of the principal or interest of any of the bonds hereby secured, and such default shall have continued for a period of six months, or in case a Receiver of the premises mortgaged hereby shall have been appointed, or in case the Trustee shall have entered, or shall have elected to enter, into possession of any such mortgaged premises under the power hereinafter conferred or by the voluntary action of the Railroad Company, then the Trustee, in its discretion, may institute such proceedings without such written request.

In case, at any time, any company of whose capital stock the greater part shall be held by the Trustee hereunder shall be dissolved or liquidated, or in case all or any of the property of any such company shall be sold upon the insolvency of such company at any judicial or other sale, or in case any property covered by a mortgage securing any bonds held by the Trustee hereunder shall be sold to satisfy such mortgage, (1) then, in any such case, if the property of such company or the property sold can be acquired by crediting on the bonds, claims, indebtedness or stock held by the Trustee hereunder the amount accruing thereon out of the proceeds of such property, and paying not more than twenty-five per cent. of the price of such property in cash, the Trustee may, in its discretion, and (2) in any case, if by the Railroad Company requested in writing, and by it provided with the necessary funds therefor, the Trustee shall purchase, or cause to be purchased, such property, either in the name and on behalf of the Railroad Company or in its own name or by purchasing trustees, and shall use such

bonds, claims, indebtedness and stock to make payment for such property ; and in case of any such purchase, the Trustee shall, take such proceedings as it may deem best to cause such property to be vested either in the Railroad Company, subject to the lien of this indenture, or in some other corporation organized, or to be organized, for that purpose, of whose bonded debt and capital stock all, excepting the amount thereof required to qualify directors, shall be received and held by the Trustee, and shall be vested in the Railroad Company, subject to the lien of this indenture.

Anything herein contained to the contrary notwithstanding, the Trustee may also in any case take such steps as, in its discretion, shall be calculated best to protect its interests hereunder in respect of any bonds or stock subject to the lien hereof, and for that purpose it may join in any plan of reorganization in respect of any such bonds or stocks and may accept new securities issued in exchange therefor under such plan.

The Railroad Company covenants that, on demand of the Trustee, it forthwith will pay or satisfactorily provide for all expenditures incurred by the Trustee under any of the provisions of this Section, including all sums required to obtain and perfect the ownership and title to any properties which the Trustee shall purchase or cause to be purchased pursuant to the provisions of this Section ; and, in case the Railroad Company shall fail so to do, then, without impairment of or prejudice to any of its rights hereunder by reason of the default of the Railroad Company, the Trustee, in its discretion, may advance all such expenses and other moneys required, or may procure such advances to be made by others, and for such advances, made by the Trustee, or by others at its request, with interest thereon, the Trustee shall have a lien on the property hereby mortgaged and pledged, which lien shall be prior to the lien of the bonds hereby secured, but in no event shall the principal

of such lien exceed, in the aggregate, at any one time, a sum equal to ten per cent. of the principal of the total amount of bonds issued hereunder and then outstanding.

In case the Trustee shall not purchase or cause to be purchased the property sold at any such sale, and shall not join in a plan of reorganization as aforesaid in respect of such bonds or stock, the Trustee shall receive any portion of the proceeds of the sale accruing on the securities by it held hereunder, and shall apply the same in the manner provided in Article Sixth hereof in respect of moneys arising from the sale of similar property released from the lien hereof as therein provided.

SEC. 6. The Trustee, at any time in its discretion, may, and, if requested in writing by the Railroad Company, shall, consent to the extension or renewal of any of the said several bonds pledged with or assigned to, or which hereafter shall be pledged with or assigned to, the Trustee hereunder, and of the mortgages securing the same, and in case of the renewal of any of such bonds the Trustee may surrender the same to the company which issued them, or its successor, and in lieu thereof may receive renewal bonds bearing such interest and maturing at such time as the Trustee may in its discretion deem reasonable; provided that such extended or renewal bonds shall be secured by a lien and charge upon the same property equal or superior to that of the bonds renewed or extended. The Trustee may receive the certificate of counsel of the Railroad Company as conclusive evidence that such extended or renewed bonds are so secured. All bonds received in exchange for, or in renewal of, the said several bonds heretofore mentioned, pledged with or assigned to, or which hereafter may be pledged with or assigned to, the Trustee, shall, by the Trustee, be held subject to the lien and to all the terms and provisions of this indenture, in the same manner and to the same extent as the bonds in exchange for which, or in renewal of which, they shall have been received.

ARTICLE FOUR.

SECTION 1. Neither any coupon belonging to any bond hereby secured, nor any claim for interest on any registered bond, which in any way, on or after the maturity thereof, shall have been transferred or pledged, separate and apart from the bond to which it relates, shall, unless accompanied by such bond, be entitled, in case of a default hereunder, to any benefit of, or from, this indenture, except after the prior payment in full of the principal of all bonds issued hereunder, and of all coupons and interest obligations not so transferred or pledged

SEC. 2. In case (1) default shall be made in the payment of any interest on any bond at any time issued under and secured by this indenture, or on any bond mentioned in Section 5 of Article Two hereof, and any such default shall continue for a period of six months ; or in case (2) default shall be made in the due and punctual payment of the principal of any bond secured hereby or of any bond mentioned in Section 5 of Article Two hereof or of any bond (except bonds held by the Trustee hereunder) for the acquisition of which bonds secured hereby shall be reserved as aforesaid, pursuant to (4) of Section 3 of Article One hereof ; or in case (3) default shall be made by the Railroad Company in the payment of any tax, assessment or other governmental charge lawfully imposed or levied upon any part of the property and premises hereby mortgaged, or upon the income and profits thereof, and such default shall continue for a period of six months after written notice thereof from the Trustee or from holders of five per cent. in amount of the bonds hereby secured ; or in case (4) the Railroad Company shall make default in the due observance and performance of any other covenant or condition herein contained, and any such default shall continue for a period of six months after written notice thereof from the Trustee or from the holders of five per cent. in amount of the bonds hereby secured ; then, and in each and

every such case of default (provided, however, in respect of any of the three cases so indicated, that such default shall have continued for six months as aforesaid), the Trustee personally, or by its agent or agents, attorney or attorneys, may enter into and upon all or any part of the railroads, property and premises, lands, rights, interests and franchises hereby conveyed, or intended so to be, and each and every part thereof, and may exclude the Railroad Company, its agents and servants, wholly therefrom, and, having and holding the same, may use, operate, manage and control said premises, and conduct the business thereof, either personally or by its superintendents, managers, receivers, agents and servants or attorneys, to the best advantage of the holders of the bonds hereby secured in accordance with law and with any statute relating to said premises or any part thereof, or to the operation thereof; and, upon every such entry, the Trustee, at the expense of the trust estate, from time to time, by purchase, repairs or construction, may maintain and restore, and insure or keep insured, the railroads, property, buildings and structures erected or provided for use in connection with said premises, and whereof it shall become possessed, as aforesaid, in the same manner and to the same extent as is usual, and likewise, from time to time, at the expense of the trust estate, may make all necessary or proper repairs, renewals and replacements and useful alterations, additions, betterments and improvements thereto and thereon; and the Trustee in such case shall have the right to manage the mortgaged premises as aforesaid, and carry on the business and exercise all rights and powers of the Railroad Company, either in the name of the Railroad Company, or otherwise, as the Trustee shall deem best; and it shall be entitled to collect and receive all incomes, rents, issues and profit of the same and every part thereof, and also the income from stocks and bonds pledged hereunder, and after deducting the expenses of operating said premises, and of conducting the business thereof, and of all repairs, maintenance, renewals, replace-

ments, alterations, additions, betterments and improvements, and all payments which may be made for taxes, assessments, insurance and prior or other proper charges upon the said premises and property, or any part thereof, including any interest paid on bonds prior in lien to those secured hereby, as well as just and reasonable compensation for its own services and for all agents, clerks, servants and other employees by it properly engaged and employed, it shall apply the moneys arising as aforesaid as follows :

In case the principal of the bonds hereby secured shall not have become due, to the payment of the interest remaining in default, in the order of the maturity of the installments of such interest, with interest thereon at the rate of five per cent. per annum ; such payments to be made ratably to the persons or parties entitled thereto, without discrimination or preference.

In case the principal of the bonds hereby secured shall have become due by declaration or otherwise, first, to the payment of the accrued interest (with interest thereon at the rate of five per cent. per annum), in the order of the maturity of the installments thereof, and next, to the payment of the principal of all bonds hereby secured ; in every instance such payments to be made ratably to the person or persons entitled to such payment, without any discrimination or preference.

All the foregoing provisions are, however, subject to the provisions postponing the rights of holders of detached coupons and assignments of interest, not accompanied by the bond to which they relate.

In case, and during such continuance, of any such default in either of the first three cases specified in this section, either with or without entry by the Trustee, and also in the fourth case, if the Trustee shall have entered or shall have elected to enter as aforesaid, the Trustee shall have, exercise, and enjoy the right to vote on all shares of stock pledged or

agreed to be pledged hereunder, and, for the benefit of the holders of bonds hereby secured, the right to receive and collect all interest moneys and dividends maturing or payable upon all pledged bonds and stocks, and to apply as hereinbefore provided the net moneys received, and as holder of such shares of stock and of such bonds pledged or agreed to be pledged in this indenture, to perform any and all acts, and to make or execute any and all requests, requisitions or other instruments. In the event that a Receiver of the mortgaged premises shall have been appointed and shall be in possession thereof, the Trustee, from time to time, in its discretion, may turn over any part or all of the interest moneys and dividends so collected by it, to such Receiver, and may co-operate with such Receiver in managing and operating the entire properties mortgaged or pledged hereunder in such manner as the Trustee shall deem for the best interests of the holders of the bonds hereby secured.

SEC. 3. In case default shall be made by the Railroad Company in the payment of any interest on any bond hereby secured, and such default shall continue for a period of six months, then and in every case of such continuing default, upon the written request of the holders of a majority in amount of the bonds hereby secured then outstanding, the Trustee, by notice in writing delivered to the Railroad Company, shall declare the principal of all bonds hereby secured then outstanding to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this indenture or in said bonds contained to the contrary thereof in anywise notwithstanding. This provision is, however, subject to the condition, that if at any time after the principal of said bonds shall have been so declared due and payable, all arrears of interest upon all such bonds, with interest at the rate of five per cent. per annum on overdue in-

installments of interest, shall either be paid by the Railroad Company or be collected out of the mortgaged premises before any sale of the mortgaged premises shall have been made, then and in every such case the holders of a majority in amount of the bonds hereby secured then outstanding, by written notice to the Railroad Company and to the Trustee, may waive such default and its consequences; but no such waiver shall extend to or affect any subsequent default, or impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of such waiver, or for any other lawful reason, or shall have been determined adversely to the Trustee, then and in every such case, the Railroad Company shall be restored to its former position and rights hereunder in respect of the mortgaged premises and the shares of stock and bonds, and other property, herein pledged or agreed to be pledged; and, upon its written request, the Trustee shall do make, execute, acknowledge and deliver such acts, deeds, instruments and assurances in the law as may be required to effectuate such purpose; but, nevertheless, all rights, remedies and powers of the Trustee shall survive and continue as though no such proceedings had been taken.

SEC. 4. In case (1) default shall be made by the Railroad Company in the payment of any interest on any bond secured by this indenture, or on any bond mentioned in Section 5 of Article Two hereof, or on any bond (except bonds held by the Trustee hereunder) for the acquisition of which bonds secured hereby shall be reserved as aforesaid pursuant to (4) of Section 3 of Article One hereof, and any such default shall continue for a period of six months; or in case (2) default shall be made by the Railroad Company in the due and punctual payment of the principal of any bond secured hereby, or of any bond mentioned in Section 5 of Article

Two hereof or of any bond (except bonds held by the Trustee hereunder) for the acquisition of which bonds hereby secured shall be reserved as aforesaid; or in case (3) default shall be made by the Railroad Company in the payment of any tax, assessment or other governmental charge lawfully imposed or levied upon any part of the mortgaged property or premises belonging to it or upon the income and profits thereof, and such default shall continue for a period of six months after written notice thereof from the Trustee or from holders of five per cent. in amount of the bonds hereby secured; or in case (4) the Railroad Company shall make default in the due observance and performance of any other covenant or condition herein contained, and any such default shall continue for a period of six months after written notice thereof from the Trustee or from the holders of five per cent. in amount of the bonds hereby secured and then outstanding; then, and in each and every such case of default (provided, however, in respect of any of the three cases so indicated, that such default shall have continued for six months as aforesaid), the Trustee, with or without entry, personally or by attorney, in its discretion (*a*) may sell to the highest and best bidder, all and singular the mortgaged property and premises, bonds and stocks, rights, franchises and interests, lands and appurtenances, and other real and personal property of every kind, and all right, title and interest, claim and demand therein, and right of redemption thereof, in one lot, as an entirety, provided, however, in respect of such lot that if a sale thereof in parcels shall be required under the provisions of Section 6 of this Article, sale may be made in parcels as in said Section provided; which sale shall be made at public auction at such place in the City of Philadelphia, in the State of Pennsylvania, or at such other place, and at such time and upon such terms, as the Trustee may fix and briefly specify in the notice of sale to be given as herein provided; or (*b*) immediately upon the expiration of the six months in any of the three

cases so indicated, and immediately upon default in payment of principal in the other case, may proceed to protect and enforce the right of bondholders under this indenture, by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the foreclosure of this indenture, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee, being advised by counsel learned in the law, shall deem most effectual to protect and to enforce any of its rights or duties hereunder.

Upon the written request of the holders of twenty-five per cent. in amount of the bonds hereby secured, in case of any such default (continued in any of said three cases for six months as aforesaid), it shall be the duty of the Trustee, upon being indemnified as hereinafter provided, to take all needful steps for the protection and enforcement of its rights and the rights of the bondholders secured hereby, and to exercise the powers of entry and sale herein conferred, or both, or to take appropriate judicial proceedings by action, suit or otherwise, as the Trustee, being advised by counsel learned in the law, shall deem most expedient in the interest of the holders of the bonds hereby secured.

SEC. 5. Anything in this indenture contained to the contrary notwithstanding, the holders of seventy-five per cent. in amount of the bonds hereby secured and then outstanding, in case of any subsisting default, from time to time, shall have the right to direct and control the method and place of conducting any and all proceedings for any sale of the premises hereby conveyed and pledged, or agreed or intended so to be, or for the foreclosure of this indenture, or for the appointment of a Receiver, or for the purpose of taking any other proceedings hereunder.

SEC. 6. In the event of any sale, whether made under the power of sale hereby granted and conferred, or under or

by virtue of judicial proceedings, or of some judgment or decree of foreclosure and sale, the whole of the property hereby mortgaged and pledged shall be sold as provided in Section 4 of this Article in one lot, as an entirety, including all the rights, title, estates, lands, rights to lands, railroads, equipment, franchises, leases, leasehold interests, contracts, stocks, bonds and other real and personal property of every name and nature, unless the holders of a majority in amount of the bonds hereby secured then outstanding shall, in writing, request the Trustee to cause the same to be sold in parcels, in which case the sale thereof shall be made in such parcels as may be specified in such request or petition, or unless such sale as an entirety is impracticable by reason of some statute or other cause; and this provision shall bind the parties hereto and each and every of the holders of the bonds and coupons hereby secured or intended so to be.

SEC. 7. Notice of any such sale pursuant to any provision of this indenture shall state the time and place when and where the same is to be made, and shall contain a brief general description of the property to be sold, and shall be sufficiently given if published once in each week for four successive weeks prior to such sale in a newspaper published in New York, N. Y.; and in a newspaper published in Philadelphia, Pa.

SEC. 8. Upon the completion of any sale or sales under this indenture, the Trustee shall make, execute and deliver to the accepted purchaser or purchasers a good and sufficient deed or good and sufficient deeds, of conveyance, of the property and franchises sold. And the Trustee and its successors are hereby appointed the true and lawful attorney or attorneys, irrevocable, of the Railroad Company, in its name and stead to make all necessary deeds and conveyances of property and all necessary transfers of shares of stock or bonds or other obligations thus sold, and for that purpose it and they may execute all necessary acts of assignment and transfer, and may substi-

tute one or more persons with like power, the Railroad Company hereby ratifying and confirming all that their said attorney or attorneys, or such substitute or substitutes, shall lawfully do by virtue hereof.

Any such sale or sales made under or by virtue of this indenture, whether under the power of sale hereby granted and conferred, or under or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Railroad Company of, in and to the premises sold, and shall be a perpetual bar both at law and in equity against the Railroad Company, its successors and assigns, and against any and all persons claiming or to claim the premises sold, or any part or parcel thereof, by, from, through or under the Railroad Company, its successors and assigns, or any of them.

The personal property and chattels conveyed, or intended to be conveyed by or pursuant to this indenture, other than stocks, bonds and other securities, and property pledged or to be pledged with the Trustee, shall be real estate for all the purposes of this indenture, and shall be held and taken to be fixtures and appurtenances of the railroads, and part thereof, and are to be used and sold therewith and not separate therefrom, except as herein otherwise provided.

SEC. 9. The Trustee, from time to time, may adjourn any sale to be made by it under the provisions of this indenture, by announcement at the time and place appointed for such sale, or for such adjourned sale or sales; and without further notice or publication, it may make such sale at the time and place to which the same shall be so adjourned.

SEC. 10. The receipt of the Trustee shall be a sufficient discharge to the purchaser or purchasers of the property sold as aforesaid, for the purchase money, and no such purchaser or purchasers, or his, their or its representatives, vendees, grantees or assigns, after paying such purchase money and

receiving such receipt, shall be bound to see to the application of such purchase money, upon or for any trust or purpose of this indenture, or in any manner whatsoever be answerable for any loss, misapplication, or non-application, of any such purchase money, or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

SEC. 11. In case of any such sale, whether under the power of sale hereby granted, or pursuant to judicial proceedings, the whole of the principal sum of the bonds hereby secured, if not previously declared due, shall at once become due and payable, anything in said bonds or in this indenture to the contrary notwithstanding.

SEC. 12. The proceeds or avails of any such sale, whether under the power of sale hereby granted or pursuant to judicial proceedings, and the purchase money paid thereon, together with any sums which may be held by the Trustee under any of the provisions of this indenture, at the time of, or after, such sale, as part of the trust estate or the proceeds thereof, shall be applied as follows :

First. To the payment of the costs and expenses of such sale, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all expenses, liabilities and advances made and incurred by the Trustee in managing and maintaining the property hereby conveyed or so intended to be, and of all taxes, assessments or liens prior to the lien of these presents, except any taxes, assessments or other superior liens to which such sales shall have been made subject.

Second. To the payment of the whole amount then owing or unpaid upon the bonds hereby secured for principal and interest, with interest at the rate of five per cent. per annum on the overdue installments of in-

terest, and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the said bonds, then to the payment of such principal and interest, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably, to the aggregate of such principal and the accrued and unpaid interest.

Third. To the payment of the surplus, if any, to the Railroad Company, or to whomsoever may be lawfully entitled to receive the same.

All the foregoing provisions are, however, subject to the provisions postponing the rights of holders of detached coupons and assignments of interest not accompanied by the bond to which they relate.

SEC. 13. The Railroad Company covenants that in case (1) default shall be made in the payment of any interest on any bonds at any time outstanding and secured by this indenture, or in case (2) default shall be made in the payment of the principal of any such bonds when the same shall become payable, whether at the maturity of said bonds or by declaration as authorized by this indenture, or by a sale of the mortgaged premises as hereinbefore provided, then, upon demand of the Trustee, it will pay to the Trustee the whole amount of the interest, or of the interest and principal, due and payable on all the bonds hereby secured then outstanding, with interest at the rate of five per cent. per annum upon the overdue principal and installments of interest; and in case they shall fail to pay the same, forthwith, upon such demand, the Trustee in its own name and as trustee of an express trust, shall be entitled to recover judgment for the whole amount so due and unpaid.

The Trustee shall be entitled to recover judgment as aforesaid, either before, or after, or during the pendency of, any proceedings for the enforcement of the lien of this indenture upon

the mortgaged and pledged premises, and the right of the Trustee to recover such judgment shall not be affected by any entry or sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this indenture or the foreclosure of the lien thereof; and in case of a sale of the mortgaged premises and of the application of the proceeds of sale to the payment of the mortgaged debt, the Trustee, in its own name and as Trustee of an express trust, shall be entitled to enforce payment of, and to receive, all amounts then remaining due and unpaid upon any and all of the bonds issued hereunder and then outstanding, for the benefit of the holders thereof, and shall be entitled to recover judgment for any portion of the mortgage debt remaining unpaid, with interest. No recovery of any such judgment by the Trustee and no levy of any execution upon any such judgment upon property subject to the lien of this indenture, or upon any other property, shall, in any manner, or to any extent, affect the lien of the Trustee upon the mortgaged premises or any part thereof, or any rights, powers or remedies of the Trustee hereunder, or any rights, powers or remedies of the holders of the bonds hereby secured, but such lien, rights, powers and remedies shall continue unimpaired as before.

Any moneys collected by the Trustee under this Section shall by it be distributed and paid over to the persons registered as holders of the registered bonds at the time of payment, and the persons presenting the coupon bonds and coupons for such payment, without any preference or priority of any kind, and ratably according to the amounts which shall have become due upon such bonds and coupons respectively.

SEC. 14. The Railroad Company will not, at any time insist upon or plead, or in any manner whatever claim, or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force in any locality where the mortgaged premises or pledged property, or any part of either, may or

shall be situate, nor will it claim, take or insist on any benefit or advantage from any law now or hereafter in force, providing for the valuation, or appraisement, of the mortgaged premises, or pledged property, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree of any court of competent jurisdiction ; nor after any such sale or sales will it claim or exercise any right under any statute enacted by the Congress of the United States, or by the Legislature of any State, to redeem the property so sold, or any part thereof ; and it hereby expressly waives all benefit and advantage of any such law or laws ; and it covenants that it will not hinder, delay or impede the execution of any power herein granted and delegated to the Trustee, but that it will suffer and permit the execution of every such power, as though no such law or laws had been made or enacted.

SEC. 15. Upon filing a bill in equity, or upon commencement of any other judicial proceedings to enforce any right of the Trustee or of the bondholders under this indenture, the Trustee shall be entitled to exercise the right of entry herein conferred, and also any and all other rights and powers herein and hereby conferred and provided to be exercised by the Trustee upon the occurrence and continuance of default as hereinbefore provided ; and, in any case of any default entitling the Trustee to enter as provided in Section 2 of this Article, the Trustee, as matter of right, shall be entitled to the appointment of a Receiver of the premises hereby mortgaged, and of the earnings, income, revenue, rents, issues or profits thereof, with such powers as the Court making such appointment shall confer ; but notwithstanding the appointment of any Receiver, the Trustee shall be entitled, as pledgee, to continue to retain possession and control of the stocks, bonds, cash and other property pledged or to be pledged with the Trustee hereunder.

SEC. 16. The Railroad Company at any time hereafter, be-

fore full payment of the bonds secured hereby, and whenever deemed expedient for the better security of such bonds, although there be then no default entitling the Trustee to enter into possession, may, with the consent of the Trustee, surrender and deliver to the Trustee full possession of the whole or any part of the property, premises and interests by it hereby conveyed, or intended so to be, for any period, fixed or indefinite. Upon such surrender and delivery to the Trustee, with its consent, the Trustee shall enter into and upon the premises so surrendered and delivered, and shall take and receive possession thereof, for such period, fixed or indefinite, as aforesaid, without prejudice, however, to its right at any time subsequently, when entitled thereto by any provision hereof, to insist upon and to maintain such possession, though beyond the expiration of any such prescribed period. Upon any such voluntary surrender and delivery of said property and premises, or any part thereof, the Trustee, from the time of its entry, shall work, maintain, use, manage, control and employ the same in accordance with the provisions of this Indenture, and shall receive and apply the income and revenue thereof as provided in Section 2 of this Article. Upon application of the Trustee, and with consent of the Railroad Company if there be then no subsisting default hereunder, and without such consent if there shall then be a subsisting default entitling the Trustee to enter as provided in Section 2 of this Article hereof, a Receiver may be appointed to take possession of, and to operate, maintain and manage the whole or any part of said property wheresoever the same may be situated, with all the rights, powers and duties by this Section conferred upon the Trustee, and the Railroad Company shall transfer and deliver to such Receiver all such property in its possession wheresoever the same may be situated; provided, however, that notwithstanding the appointment of any such Receiver the Trustee, as pledgee, shall be entitled to retain possession and control of the stocks,

bonds, cash and other property pledged with the Trustee hereunder.

SEC. 17. No holder of any bond or coupon hereby secured shall have any right to institute any suit, action or proceeding in equity or at law for the foreclosure of this indenture or for the execution of any trust thereof, or for the appointment of a Receiver, or for any other remedy hereunder, unless such holder shall previously have given to the Trustee written notice of such default, and of the continuance thereof as hereinbefore provided, nor unless, also, the holders of twenty-five per cent. in amount of the bonds hereby secured and then outstanding shall have made written request of the Trustee, and shall have afforded to it reasonable opportunity, either itself to proceed to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name, nor unless, also, they shall have offered to the Trustee adequate security and indemnity against the cost, expenses and liabilities to be incurred therein or thereby; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this indenture and to any action, or cause of action, for foreclosure or for the appointment of a Receiver, or for any other remedy hereunder; it being understood and intended that no one or more holders of bonds and coupons shall have any right in any manner whatever to affect, disturb or prejudice the lien of this indenture by his or their action, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of such outstanding bonds and coupons.

SEC. 18. Except as herein expressly provided to the contrary, no remedy herein conferred upon or reserved to the

Trustee, or upon or to the holders of bonds hereby secured, is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SEC. 19. In case of any sale hereunder, any and all purchasers in making settlement or payment, shall be entitled to turn in any bonds and any matured and unpaid interest obligations hereby secured, estimating the value of such bonds and coupons for that purpose at the sum payable out of the net proceeds of such sale to the holder or holders of such bonds and coupons as his or their ratable share of such net proceeds, after allowing for the proportion of the total payment required to be made in cash for the costs and expenses of the sale or otherwise; and if such share of net proceeds shall be less than the amount then due upon such bonds and coupons, such purchaser or purchasers may make such settlement by receipting on the bonds the amount to be credited thereupon; and at any such sale any bondholders may bid for and purchase such property, and, upon compliance with the terms of sale, may hold, retain, and dispose of such property without further accountability therefor.

SEC. 20. No delay or omission of the Trustee, or of any holder of bonds hereby secured, to exercise any right or power accruing upon any default continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default, or an acquiescence therein.

SEC. 21. If, in order to preserve the franchises of the Railroad Company, and to avoid a sale hereunder, any plan of reorganization shall be proposed with provisions for the modification of this mortgage, so far as to authorize and require the creation of new liens upon the mortgaged premises prior and superior to the lien hereof, then and

in every such case registered holders of four-fifths in amount of all outstanding bonds hereby secured, by writing, may direct the Trustee, in behalf of all the holders of all bonds then or thereafter issued hereunder, to acquiesce in the provisions of such plan; which plan also may determine and provide for the interests of other creditors and lienors and of the shareholders of the Railroad Company. This special power, however, is granted to the registered holders of four-fifths in amount of the bonds upon the express condition that no bond hereby secured and then outstanding shall be changed as to amount or date of payment of principal or rate or dates of payment of interest. Thereupon, but not otherwise, the Trustee shall by writing acquiesce in such provisions of such plan, and such acquiescence by the Trustee shall constitute the irrevocable assent of all holders of bonds and coupons hereby secured to any such accepted modifications, as set forth in such plan and necessary to give effect to such provisions thereof. All such modifications so affecting this indenture and the bonds and coupons hereby secured shall be reduced to a written agreement between the Railroad Company and the Trustee, and such agreement shall be recorded in Philadelphia, County, Pennsylvania; and henceforth shall be deemed to be part of this indenture, and thereafter the lien of this indenture, and of the bonds hereby secured, shall be deemed to be and shall be subordinate to such new and prior liens created pursuant to such plan, but only to the extent specified in such written agreement.

Registration for any purpose of this section shall be sufficient if then or theretofore made and then continuing in any manner permitted by Section 4 of Article Two of this indenture.

ARTICLE FIVE.

Any request or other instrument required by this indenture to be signed and executed by bondholders may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such bondholders in person or by agent appointed in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent, and of the holding by any person of coupon bonds transferable by delivery, shall be sufficient for any purpose of this indenture, if made in the following manner :

The fact and date of the execution by any person of any such request, or other instrument of writing, may be proved by the certificate of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in Pennsylvania, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution.

The amount of coupon bonds transferable by delivery, held by any person executing any such request or other instrument as the holder of bonds, and the issue numbers of the bonds held by such person, and the date of his holding the same, may be proved by a certificate executed by any trust company, bank, bankers or other depository (wherever situated), whose certificate shall be deemed by the Trustee to be satisfactory, showing that such person had on deposit with such depository the bonds described in such certificate at the date therein mentioned. The ownership of registered coupon bonds or of registered bonds without coupons shall be proved by the registers of such bonds as provided in Section 4 of Article Two hereof.

Such proof shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument.

ARTICLE SIX.

SECTION 1. Upon the written request of the Railroad Company, approved by resolution of its Board of Directors or Executive Committee, from time to time, while the Railroad Company not being in any default hereunder is in possession of the mortgaged premises, but subject to the conditions and limitations in this Section prescribed, and not otherwise, the Trustee, in its discretion, by proper instruments of writing may release from the lien and operation of this indenture any part of the mortgaged premises, including the bonds mentioned under Subdivisions Third and Fourth of the granting clauses hereof, but not (1) any shares of stock mentioned in Subdivision Fifth of said granting clauses, nor (2) any bonds and shares of stock hereafter pledged hereunder.

No release hereunder (except of bonds to the extent above permitted) shall be made unless the Railroad Company shall have sold, or shall have contracted to sell or to exchange for other property, the property so to be released.

No release of bonds as aforesaid shall be made hereunder except upon the redemption thereof as hereinafter provided.

The Railroad Company shall have the right at any time, and from time, to time to redeem from the lien hereof any or all of the bonds mentioned in Subdivisions Third and Fourth of the granting clauses hereof, at the market value thereof, as in its absolute discretion, the Trustees may fix the same; provided, however, that in no event shall the Trustee fix such market value at less than the following prices: E. A. Packer mortgage, par; Warrior Run Mining Co., par; N. Y. Abattoir Co., 85% of par; Morris Canal and Banking Co. bonds, par; Schuylkill and Lehigh Valley Railroad Co. bonds, par; Rochester Southern Railroad Co. bonds, par; Lehigh Valley Coal Co. bonds, par; Lehigh Valley Coal Co. (new mortgage) bonds, par; Hazleton Coal Co. bonds, par; Coal Ridge Improvement

and Coal Co. bonds, 50 per cent. of par; Lehigh Valley Terminal Railway Co. car trust bonds, par; and such redemption may be made either in money, or in bonds hereby secured at the par value thereof, with seven and one-half per cent. premium added thereto, and for the purpose of any such redemption the Railroad Company may use any of the bonds hereby secured and held or acquired by it from time to time. All of said bonds hereby secured so applied in redemption of securities shall thereupon be cancelled by the Trustee, and, when cancelled, shall be surrendered to the Railroad Company.

Upon the completion of the Greenville & Hudson Railroad, thereby giving the Lehigh Valley System its own independent tracks and facilities for the running of its trains through to its terminals at Communipaw, N. J., without the use of the tracks of the National Docks Company, then the Railroad Company shall have the right at any time to redeem in one block from the lien hereof the shares pledged hereunder of the National Docks Railway Company at the par value of said shares, and the trustee shall deliver to the Railroad Company, with all rights unimpaired, the shares so redeemed from the lien hereof by the Railroad Company, and shall execute and deliver all proper instruments of transfer and assignment in respect thereof.

The Trustee shall deliver to the Railroad Company, with all rights unimpaired, any bonds so redeemed from the lien hereof by the Railroad Company, and shall execute and deliver all proper instruments of transfer and assignment in respect thereof.

SEC. 2. The proceeds of any and all such sales of property other than bonds pledged hereunder, and also all moneys received as compensation for any such property subject to this indenture taken by exercise of the power of eminent domain, may be disposed of as required by any mortgage thereon prior hereto, and the Trustee may acquiesce in such disposition. So far as such proceeds and

moneys shall not be disposed of pursuant to any such requirement, they shall be set apart and, at the option of the Railroad Company, shall be applied, either (1) to the purchase of bonds hereby secured in such manner as to the Trustee shall seem best and at such prices as it shall deem best, but not exceeding 107½ per cent. and accrued interest; and to the extent that, in the opinion of the Trustee, bonds hereby secured cannot be bought on the terms herein prescribed, to the purchase of securities in which at such time Savings Banks shall be authorized under the laws of Pennsylvania to invest their funds, such securities to be held by the Trustee as a part of the trust estate hereunder; or (2), to the improvement of, or additions to, any remaining part of the mortgaged premises, or to the purchase of other property, real or personal, which shall be conveyed in trust by the Railroad Company to the Trustee, subject to all the trusts hereby declared. Any new property acquired by the Railroad Company to take the place of any property released hereunder, *ipso facto*, shall become and be subject to the lien of this indenture, as fully as if hereby specifically mortgaged, but, if requested by the Trustee, the Railroad Company will convey the same to the Trustee by appropriate deeds upon the trusts and for the purposes of this indenture.

SEC. 3. All funds received by the Trustee from the Railroad Company (as provided in Section 1 of this Article) in redemption of bonds pledged under sub-divisions Third and Fourth of the granting clauses hereof shall be applied to the purchase of bonds hereby secured in the manner provided under "(1)" in the preceding Section or (in the discretion of the Railroad Company) in the manner hereinafter provided, to the redemption of the principal of bonds hereby secured.

SEC. 4. The Railroad Company hereby expressly reserves the right to be exercised by itself or through the Trustee by the use of any funds under the control of the Railroad Company to redeem any bond or bonds hereby secured,

on the first day of May and first day of November in any year, at par with seven and one-half per cent. premium added thereto (in addition to all interest accrued on such bond to such date of redemption) after sixty days' notice published not less than once a week in one newspaper published in the City of New York, N. Y., in one published in the City of Philadelphia, Pa., and in one published in London, England. Such notice shall designate by serial number the bonds so to be redeemed, unless all the outstanding and theretofore uncalled bonds be called in, which case a statement to that effect shall be sufficient. All bonds hereby secured, when and as redeemed, shall be cancelled by the Trustee and surrendered to the Railroad Company.

In making any redemption of less than all the bonds hereby secured at such time outstanding and uncalled, the bonds so to be redeemed shall be drawn by lot by the Trustee, in such manner as it shall deem best, from all the bonds then outstanding and uncalled, and the bonds so drawn shall be redeemed on the first day of May or the first day of November next thereafter ensuing, after advertisement as aforesaid.

The Railroad Company, from time to time, while in possession of the mortgaged premises, as provided in Article Ninth hereof, and not being in default hereunder, shall also have full power, in its discretion, to dispose of any portion of the machinery, equipments and implements, at any time held or acquired, which may have become unfit for such use, replacing the same by new machinery, equipments or implements, which, immediately upon such acquisition, shall immediately become subject to the operation of this indenture.

In no event shall any purchaser or purchasers of any property sold or disposed of under any provision of this Article of this indenture be required to see to the application of the purchase money.

In case any portion of the mortgaged or pledged premises

shall be in the possession of a Receiver lawfully appointed, the powers in and by this Article conferred upon the Railroad Company may be exercised by such Receiver with the approval of the Trustee; and if the Trustee shall be in possession of the mortgaged or pledged premises under any provision of this indenture, then all the powers by this Article conferred upon the Railroad Company may be exercised by the Trustee in its discretion.

SEC. 5. In case at any time it shall become necessary, or in the judgment of the Trustee shall be for the interest of the bondholders hereby secured, or for the benefit of the mortgaged property, that the Railroad Company shall terminate or shall make changes or alterations in or substitution of any of the railroad leases, embraced in the granting clauses of this mortgage the Railroad Company with the written consent of the Trustee may make any such termination, changes, alterations or substitutions, and may make or cause to be made, executed and delivered all such instruments in writing as may be proper and necessary to carry out and perfect any and all terminations, changes, alterations or substitutions authorized in this section. At the same time provision shall be made by instruments in writing satisfactory to the Trustee so that any such modified, altered or substituted leases forthwith shall become bound by and be subject to the terms of this indenture in the same manner as the prior lease.

ARTICLE SEVEN.

SECTION 1. The Trustee shall not be answerable for the default or misconduct of any agent or attorney appointed by it in pursuance hereof, if such agent or attorney shall have been selected with reasonable care; or for anything whatever, in connection with this trust, except willful misconduct or gross negligence. The Trustee shall not be personally liable for any debts contracted by it or for damages to persons or property

carried or injured, or for salaries or non-fulfillment of contracts, during any period wherein the Trustee shall manage the trust property or premises upon entry or voluntary surrender as aforesaid. The Trustee shall not be under any obligation to take any action towards the execution or enforcement of the trust hereby created, which, in its opinion, shall be likely to involve it in expense or liability, unless one or more of the holders of the bonds hereby secured shall, as often as required by the Trustee, furnish it reasonable indemnity against such expense or liability; nor shall the Trustee be required to take notice of any default hereunder unless notified in writing of such default by the holders of at least five per cent. of the bonds hereby secured then outstanding, or to take any action in respect of any default unless requested in writing to take action in respect thereof by the holders of not less than twenty-five per cent. of the bonds hereby secured then outstanding, and tendered reasonable indemnity as aforesaid, anything herein contained to the contrary notwithstanding; but neither any such notice or request, nor this provision therefor, shall affect any discretion herein given to the Trustee to determine whether or not it shall take action in respect of such default, or to take action without such request. The Trustee shall not be responsible for the recording of this indenture, or for the filing of the same as a chattel mortgage.

The Trustee shall be entitled to reasonable compensation for all services rendered by it in the execution of the trusts hereby created.

SEC. 2. The Trustee, or any Trustee hereafter appointed, may resign and be discharged of the trusts created by this indenture by giving notice thereof to the Railroad Company and to the bondholders, by publication, at least twice a week, for four successive weeks, in one newspaper at that time published in New York, N. Y.; and in one newspaper published in Philadelphia, Pennsylvania, and by due execution of the conveyances hereinafter required.

The Trustee may be removed at any time by an instrument in writing under the hands of three-quarters in amount of the holders of the bonds secured hereby and then outstanding.

SEC. 3. In case at any time the said Trustee, or any trustee hereafter appointed, shall resign or be removed or otherwise become incapable of acting, a successor, or successors, may be appointed by the holders of a majority in amount of the bonds hereby secured and then outstanding, by an instrument or concurrent instruments signed by such bondholders or their attorneys in fact duly authorized ; provided, nevertheless, and it is hereby agreed and declared that, in case at any time there shall be a vacancy in the office of trustee hereunder, the Railroad Company, by an instrument executed by order of its board of directors, may appoint a trustee to fill such vacancy until a new trustee shall be appointed by the bondholders as hereinafter authorized. The Railroad Company shall thereupon publish notice of such appointment once a week for six successive weeks in a newspaper published in New York, N. Y. ; and in a newspaper published in Philadelphia, Pennsylvania ; and any new trustee so appointed by the Railroad Company shall immediately and without further act be superseded by a trustee appointed in the manner above provided by the bondholders prior to the expiration of ninety days after such publication of notice. In case no such appointment shall be made by the bondholders prior to the expiration of such ninety days, a new trustee, to supersede the trustee appointed by the Railroad Company, may nevertheless be appointed by any judge of the United States Circuit Court for the Third Circuit or by any court of competent jurisdiction in the premises upon the application of one-quarter in amount of the bondholders. Every such trustee appointed in place of The Gerard Life Insurance, Annuity and Trust Company of Philadelphia, or its successor in the trust, shall always be a trust company in good standing, doing business in the City of Philadelphia or

New York, and having a capital and surplus aggregating at least \$2,000,000, if there be such a trust company willing and able to accept the trust upon reasonable or customary terms.

Any new trustee appointed hereunder shall execute, acknowledge and deliver to the trustee last in office and also to the Railroad Company an instrument accepting such appointment hereunder, and thereupon such new trustee shall become vested with all the estates, properties, rights, powers and trusts of its or his predecessor in the trust hereunder with like effect as if originally named as trustee herein without any further act, deed or conveyance; but the trustee ceasing to act shall, nevertheless, on the written request of the new trustee, execute and deliver an instrument transferring to such new trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the trustee so resigning or removed, and shall duly assign, transfer and deliver any stocks, bonds or other property and moneys held by such trustee to the new trustee so appointed in its or his place.

Should any deed, conveyance or instrument in writing from the Railroad Company be required by any new trustee, for more fully and certainly vesting in and confirming to such new trustee such estates, rights, powers and trusts, any and all such deeds, conveyances and instruments in writing shall, on request, be made, executed, acknowledged and delivered by the Railroad Company.

ARTICLE EIGHT.

No recourse under any obligation, covenant or agreement of this indenture, or of any bond or coupon hereby secured, shall be had against any incorporator, stockholder, officer or director of the Railroad Company or of any successor corporation, either directly or through the Railroad Company, by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any statute or otherwise; it being expressly agreed and understood that this mortgage

and the obligations hereby secured are solely corporate obligations and that no personal liability whatever shall attach to, or be incurred by, the incorporators, stockholders, officers or directors of the Railroad Company, or of any successor corporation or any or either of them, under or by reason of any or either of the obligations, covenants or agreements in this indenture, or in any of the bonds or coupons hereby secured, expressed and contained or implied therefrom, and that any and all personal liability of every name and nature, either at common law or in equity, or by statute, of every such incorporator, stockholder, officer or director, is hereby expressly waived as a condition of, and consideration for, the execution and issue of this mortgage and such bonds and coupons.

ARTICLE NINE.

SECTION 1. Until some default shall have been made in the due and punctual payment of the interest, or of the principal, of the bonds hereby secured, or of some part of such interest or principal, or in the due and punctual performance and observance of some covenant or condition hereof obligatory upon the Railroad Company, and until such default shall have continued beyond the period of grace, if any, herein provided in respect thereof, or until the Railroad Company voluntarily shall have surrendered possession to the Trustee as herein permitted, the Railroad Company, its successors and assigns, shall be suffered and permitted to retain actual possession of all the premises hereby mortgaged (other than the bonds, certificates of stock, cash and other property pledged or to be pledged hereunder with the Trustee) and the same and every part thereof, with the rights and franchises appertaining thereto, and the tolls, income, rents, issues and profits thereof to manage, operate, collect, receive, use and enjoy in any manner not inconsistent with the provisions hereof.

SEC. 2. If, at any time, under the provisions hereof the entire amount of the bonds and coupons hereby secured, shall have been redeemed, or if when the bonds hereby secured shall have become due and payable, the Railroad Company shall well and truly pay, or cause to be paid, the whole amount of the principal moneys and interest due upon all the bonds and coupons for interest thereon hereby secured, then outstanding, or shall provide for such payment by depositing with the Trustee hereunder for the payment of such bonds and coupons the entire amount due thereon for principal and interest, and shall also pay, or cause to be paid, all other sums payable hereunder by the Railroad Company, and shall well and truly perform all the things herein required to be performed by it according to the true intent and meaning of this indenture, then all property, rights and interest hereby conveyed or pledged shall revert to the Railroad Company, and the estate, right, title and interest of the Trustee shall thereupon cease, determine and become void, and the Trustee in such case, on demand of the Railroad Company, and at its cost and expense, shall assign and deliver to the Railroad Company all stocks, bonds and other property pledged with or held by said Trustee and shall enter satisfaction of this indenture upon the records; otherwise, the same shall be, continue and remain in full force and virtue.

ARTICLE TEN.

SECTION 1. All the covenants, stipulations, promises and agreements in this indenture contained, by or in behalf of the Railroad Company, shall bind it and its successors or assigns, whether so expressed or not.

SEC. 2. Nothing contained in this indenture, or in any bond hereby secured, shall prevent any lawful consolidation or merger of the Railroad Company, with any other corporation, or any conveyance and transfer, subject to the continuing lien of

this indenture and to all the provisions thereof, of all the mortgaged and pledged premises as an entirety to some corporation at that time existing under and by virtue of the laws of the United States or any State thereof, and lawfully entitled to acquire the property affected by this mortgage; provided, however, that such consolidation, merger or sale shall not impair the lien and security of this indenture, or any of the rights or powers of the Trustee, or of the bondholders hereunder, and that, upon any such consolidation, merger or sale, the due and punctual payment of the principal and interest of all said bonds according to their tenor, and the due and punctual performance and observance of all the covenants and conditions of this indenture, shall be assumed by every corporation formed by such consolidation or merger, or purchasing as aforesaid.

SEC. 3. In case the Railroad Company, pursuant to Section 2 of this Article, shall be consolidated or merged with any other corporation, or shall sell, convey and transfer, subject to this indenture, all its mortgaged and pledged premises as an entirety as aforesaid, every successor corporation formed by such consolidation or into which the Railroad Company, shall have been merged, or which shall have purchased and received any conveyance and transfer as aforesaid, upon executing and causing to be recorded an indenture with the Trustee, satisfactory to the Trustee, whereby such successor corporation shall assume the due and punctual payment of the principal and interest of said bonds and the performance of all the covenants and conditions of this indenture, shall succeed to, and be substituted for, the Railroad Company party of the first part hereto, with the same effect as if it had been named herein as a party of the first part hereto, and every such successor corporation thereupon may cause to be signed and may issue, either in its own name or in the name of the Railroad Company any or all of such bonds which shall not theretofore have been signed by

the Railroad Company and delivered to the Trustee, and subject to all the terms, conditions and restrictions herein prescribed, the Trustee shall certify and deliver any of such bonds which shall have been previously signed and delivered by the officers of the Railroad Company to the Trustee for certification, and any of such bonds which such successor corporation shall thereafter cause to be signed and delivered to the Trustee for that purpose, upon the order of such successor corporation. All bonds so issued shall in all respects have the same legal rank and security as the bonds theretofore or thereafter issued in accordance with the terms of this indenture, as though all of said bonds had been issued at the date of the execution hereof.

SEC. 4. For every purpose of this indenture, including the execution, issue and use of any and all bonds hereby secured, the term "Lehigh Valley Railroad Company" includes and means not only the corporation of that name, party of the first part hereto, but also any such successor corporation, now existing or hereafter formed under the laws of the United States or of any State or States thereof. Every such successor corporation shall possess and from time to time may exercise each and every right and power hereunder of the Lehigh Valley Railroad Company, in its name or otherwise.

SEC. 5. Any act or proceeding by any term of this indenture, or of any bond or resolution herein recited, required or provided to be done or performed by any board or officer of the Railroad Company, shall and may, in event of any change in its existence, be done and performed with like force and effect by the like board or officer of any corporation that shall at the time be lawful sole successor of the Railroad Company.

SEC. 6. Nevertheless, before the exercise of the powers conferred by this article, the Railroad Company, by instrument in writing executed by authority of its board of directors and delivered to the Trustee, may surrender any of the powers reserved to the Railroad Company or to such successor cor-

poration under this Article, and thereupon such power so surrendered shall terminate.

ARTICLE ELEVEN.

The Railroad Company may deem and treat the bearer of any coupon bond hereby secured, which shall not at the time be registered as hereinbefore authorized, and the bearer of any coupon for interest on any such bond, whether such bond shall be registered or not, as the absolute owner of such bond or coupon, as the case may be, for the purpose of receiving payment thereof and for all other purposes, and the Railroad Company shall not be affected by any notice to the contrary.

ARTICLE TWELVE.

The Girard Life Insurance, Annuity and Trust Company of Philadelphia, Trustee, party hereto of the second part, hereby accepts the trusts in this indenture declared and provided, and agrees to perform the same upon the terms and conditions hereinbefore set forth.

The words "the Trustee," or "said Trustee," or any other equivalent term, as used in this indenture (except when otherwise clearly indicated), shall be held and construed to mean the Trustee, or Trustees, for the time being, whether original or successor, and the words "Trustee," "bond," "bondholder" and "holder" shall include the plural as well as the singular number, and the term "majority" shall signify "majority in amount," whether or not so expressed.

In order to facilitate the record of this indenture, the same may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be an original; and such counterparts shall together constitute but one and the same instrument.

In witness whereof, the Lehigh Valley Railroad Company, the party hereto of the first part, has caused this indent-

ure to be signed and acknowledged or proved by its President, and its corporate seal to be hereunto affixed, and the same to be attested by the signature of its Secretary; and The Girard Life Insurance, Annuity and Trust Company of Philadelphia, the party of the second part, has caused its corporate seal to be hereunto affixed and attested by its Treasurer, and these presents to be signed and acknowledged or proved by its President the day and year first above written.

LEHIGH VALLEY RAILROAD COMPANY,

By

E. P. WILBUR,
President.

Seal of
Lehigh Valley
Railroad
Company.

Attest:

JOHN R. FANSHAWE,
Secretary,

Signed, sealed and delivered on behalf
of the Railroad Company in the
presence of)

JOHN R. FANSHAWE.
D. G. BAIRD.

THE GIRARD LIFE INSURANCE, ANNUITY AND TRUST
COMPANY OF PHILADELPHIA,

By

E. B. MORRIS,
President.

Seal of
The Girard Life
Insurance, Annuity
and Trust Company
of Philadelphia.

Attest:

WILLIAM N. ELY,
Treasurer.

Signed, sealed and delivered on behalf
of The Girard Life Insurance, An-
nuity and Trust Company of Phila-
delphia in the presence of }

WILLIAM N. ELY.
J. A. HARRIS, JR.

COMMONWEALTH OF PENNSYLVANIA, }
 City of Philadelphia, } ss. :

On the 2d day of June, 1897, before me, the subscriber, a Notary Public for the Commonwealth of Pennsylvania, residing in the City of Philadelphia, personally appeared John R. Fanshawe, Secretary of the above-named Lehigh Valley Railroad Company (he being one of the subscribing witnesses to the sealing and delivery of the above indenture), who, being by me duly sworn according to law, did depose and say : That he was present at the execution of the said indenture, and did see E. P. Wilbur, the President of said corporation, affix the common or corporate seal of the said Lehigh Valley Railroad Company thereto, and subscribe his name as president in attestation thereof ; that the seal so affixed is the common or corporate seal of the said corporation, and that the said seal was so affixed, and the said indenture was duly sealed and delivered by the said President, as the act and deed of the said corporation, for the uses and purposes therein mentioned, in pursuance of a resolution of the Board of Directors duly passed at a meeting thereof, held the 13th day of April, A. D. 1897 ; that he saw D. G. Baird, the said subscribing witness, sign his name to the said indenture ; and that the name of this deponent, subscribed to said indenture as Secretary of the said Company, in attestation of the due execution and delivery of the said indenture, and also subscribed as a witness to the sealing and delivery thereof, are of his (this deponent's) own handwriting.

JOHN R. FANSHAWE.

Sworn and subscribed before me. }
 Witness my hand and notarial }
 seal the day and year aforesaid. }

EDWARD Y. HARTSHORNE,
 Notary Public.

Seal of
 Edward Y. Hartshorne,
 Notary Public.

COMMONWEALTH OF PENNSYLVANIA, } ss. :
 City of Philadelphia,

On the 3d day June, 1897, before me, the subscriber, a Notary Public for the Commonwealth of Pennsylvania, residing in the City of Philadelphia, personally appeared William N. Ely, Treasurer of the above-named The Girard Life Insurance, Annuity and Trust Company of Philadelphia (he being one of the subscribing witnesses to the sealing and delivery of the above indenture), who, being by me duly affirmed, according to law, did depose and say: That he was present at the execution of the said indenture, and did see Effingham B. Morris, the President of said corporation, affix the common or corporate seal of the said The Girard Life Insurance, Annuity and Trust Company of Philadelphia thereto, and subscribe his name as president in attestation thereof; that the seal so affixed is the common or corporate seal of the said corporation, and that the said seal was so affixed, and the said indenture was duly sealed and delivered by the said President as the act and deed of the said corporation, for the uses and purposes therein mentioned, in pursuance of a resolution of the Board of Directors duly passed at a meeting thereof, held the 27th day of May, A. D. 1897; that he saw J. A. Harris, Jr., the said subscribing witness, sign his name to the said indenture; and that the name of this deponent, subscribed to said indenture as Treasurer of the said Company, in attestation of the due execution and delivery of the said indenture, and also subscribed as a witness to the sealing and delivery thereof, are of his (this deponent's) own handwriting.

WILLIAM N. ELY.

Affirmed and subscribed before me. }
 Witness my hand and notarial }
 seal the day and year aforesaid. }

WILLIAM J. DICKSON,
 Notary Public.

Seal of
 William J. Dickson,
 Notary Public.

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PROPERTY OF
HARVEY L. K. & SONS
STATISTICAL DEPARTMENT
NOT TO BE LOANED OR TAKEN FROM OFFICE
LEHIGH VALLEY CAR TRUST.

Lease.

**The Girard Life Insurance, Annuity and
Trust Company of Philadelphia**

TO

Lehigh Valley Railroad Company.

Dated November 4th, 1895

ALLEN, LANE & SCOTT, PRINTERS, PHILADELPHIA.

This Indenture, Made this fourth day of November, one thousand eight hundred and ninety-five, between **The Girard Life Insurance, Annuity and Trust Company of Philadelphia**, hereinafter called the Trustee, of the one part, and the **Lehigh Valley Railroad Company**, hereinafter called the Railroad Company, of the other part, **Witnesseth** :

Whereas, The Trustee is the owner, or has contracted to become the owner, of certain railroad equipment and rolling stock of the quantities and kinds as follows :—

Two thousand (2000) Box Cars ;

And Whereas, The Railroad Company has agreed to rent or hire from the Trustee, the said railroad equipment or rolling stock on the rental terms and conditions hereinafter set forth.

Now, therefore, this Indenture Witnesseth :

First.—That the said The Girard Life Insurance, Annuity and Trust Company of Philadelphia, in consideration of the sum of one dollar, lawful money of the United States, unto it well and truly paid by the said Lehigh Valley Railroad Company at the time of the execution hereof, the receipt whereof is hereby acknowledged, and of the rent hereby reserved and of the covenants herein contained, has demised and leased, and by these presents doth demise and lease unto the said Railroad Company all and singular the railroad

equipment and rolling stock of the quantities and kind hereinbefore recited, and as follows :—

Two thousand (2000) Box Cars,

and marked with the name of The Girard Life Insurance, Annuity and Trust Company of Philadelphia, lessor, with the right to the Lehigh Valley Railroad Company to place upon said railroad equipment and rolling stock such additional marks as it may find expedient to designate the service in which it may desire to place the cars.

To have and to hold the said railroad equipment and rolling stock thus leased by the Trustee for the term of ten years from the first day of February, 1896, the said Railroad Company yielding and paying as rental therefor unto the Trustee the rental reserved and covenanted by the said Railroad Company to be paid as is hereinafter particularly set out; the title, however, to all the said railroad equipment and rolling stock to be retained under the terms hereof by and in The Girard Life Insurance, Annuity and Trust Company of Philadelphia, as Trustee, until the full expiration of the period of this lease, and until the full performance by the Railroad Company of all the covenants herein contained; and in consideration of the premises the Railroad Company does hereby covenant and agree :—

(1.) The said Railroad Company shall forthwith (or as soon as the preparation thereof can be completed) make, execute, and deliver to the Trustee, in evidence of the rental from time to time to be paid by the Railroad Company, its obligations or bonds, to the aggregate amount of one million dollars, in denominations of one thousand dollars, numbered consecutively from one to one thousand, both inclusive. The said obligations or bonds shall be divided into twenty successive semi-annual series, in amounts of fifty thousand dollars each, maturing and becoming payable on the first days of August and February, through ten successive years, beginning with the first day of August, 1896; and the division of the said one million dollars of bonds into series (according to

the numbers thereof) and the dates on which the said series shall mature and become payable shall be as follows :—

Series 1, numbers 1 to 50, both inclusive, August 1st, 1896.
Series 2, numbers 51 to 100, both inclusive, February 1st, 1897.
Series 3, numbers 101 to 150, both inclusive, August 1st, 1897.
Series 4, numbers 151 to 200, both inclusive, February 1st, 1898.
Series 5, numbers 201 to 250, both inclusive, August 1st, 1898.
Series 6, numbers 251 to 300, both inclusive, February 1st, 1899.
Series 7, numbers 301 to 350, both inclusive, August 1st, 1899.
Series 8, numbers 351 to 400, both inclusive, February 1st, 1900.
Series 9, numbers 401 to 450, both inclusive, August 1st, 1900.
Series 10, numbers 451 to 500, both inclusive, February 1st, 1901.
Series 11, numbers 501 to 550, both inclusive, August 1st, 1901.
Series 12, numbers 551 to 600, both inclusive, February 1st, 1902.
Series 13, numbers 601 to 650, both inclusive, August 1st, 1902.
Series 14, numbers 651 to 700, both inclusive, February 1st, 1903.
Series 15, numbers 701 to 750, both inclusive, August 1st, 1903.
Series 16, numbers 751 to 800, both inclusive, February 1st, 1904.
Series 17, numbers 801 to 850, both inclusive, August 1st, 1904.
Series 18, numbers 851 to 900, both inclusive, February 1st, 1905.
Series 19, numbers 901 to 950, both inclusive, August 1st, 1905.
Series 20, numbers 951 to 1000, both inclusive, February 1st, 1906.

The said bonds shall in form be as follows :—

UNITED STATES OF AMERICA.

State of Pennsylvania.

LEHIGH VALLEY RAILROAD COMPANY.

Five per cent. Gold Car-Trust Loan, 1896.

Total Issue, \$1,000,000.

The Lehigh Valley Railroad Company for value received acknowledges itself indebted to the bearer hereof in the principal sum of one thousand dollars, United States gold coin of the present standard of weight and fineness, and promises to

pay the said sum to the bearer hereof on

at the office of The Girard Life Insurance, Annuity and Trust Company of Philadelphia, in the city of Philadelphia, and also to pay meanwhile, in like gold coin, at the said office, interest on said principal sum half-yearly on the first days of August and February in each year, at the rate of five per cent. per annum, on the presentation and surrender of the annexed coupons or interest warrants and as they severally become due, and without deduction from either principal or interest for any United States or State tax whatsoever which the Railroad Company is or may be required by law to retain therefrom, and which it hereby agrees to pay.

This bond is one of an issue of bonds of like tenor and date, but maturing at various times, amounting in the aggregate to one million dollars, issued under the terms of an indenture of lease bearing date the fourth day of November, A. D. 1895, between The Girard Life Insurance, Annuity and Trust Company of Philadelphia, Trustee, and the Lehigh Valley Railroad Company, and deposited with the Trustee, to which said indenture reference is hereby made for the provisions thereof, and for all the terms and conditions upon which this bond is issued and secured thereunder.

This bond shall pass by delivery or by transfer on the books of the said Lehigh Valley Railroad Company, but after a registration of ownership certified hereon by the secretary or transfer agent of the said Railroad Company, no transfer except on its books shall be valid unless the last preceding transfer shall have been to bearer and transferability by delivery has been thereby restored; but this bond shall continue susceptible of successive registrations in the name of the holder or to bearer at the option of the holder, and registry shall not restrain the transferability of the coupons by delivery merely.

This bond shall not become valid until the certificate indorsed hereon shall have been signed by or on behalf of the Trustee under said indenture.

In Witness Whereof, The Lehigh Valley Railroad Company

has caused its corporate seal to be affixed, and this bond to be signed by its vice-president and secretary, the fourth day of November, in the year 1895.

LEHIGH VALLEY RAILROAD COMPANY,

By

Vice-President.

Attest :

Secretary.

with coupons thereto attached for interest thereon to become payable semi-annually in form as follows:—

(Coupon.)

\$25.

On the first day of the Lehigh Valley Railroad Company will pay to the bearer, at the office of The Girard Life Insurance, Annuity and Trust Company of Philadelphia, in the city of Philadelphia, twenty-five dollars in gold coin, being six months' interest on its five per cent. gold car-trust bond No.

Treasurer.

And the form of Trustee's certificate to be placed upon each and all of the said car-trust bonds shall be as follows:—

"It is hereby certified that this car-trust bond is one of a series of car-trust bonds amounting in the aggregate to one million dollars, and issued under the indenture within described.

THE GIRARD LIFE INSURANCE, ANNUITY AND TRUST
COMPANY OF PHILADELPHIA, TRUSTEE.

By

President.

(2.) Until the said car-trust bonds can be engraved the Railroad Company may execute and issue written or printed temporary certificates or obligations, in such form or forms and in such amounts as may be approved and be countersigned or certified by the Trustee, and which shall be entitled to all the security hereunder, and be exchangeable for or convertible into the bonds to be issued hereunder, and which shall be by the Trustee canceled upon such exchange or conversion being effected.

(3.) Car-trust bonds to the amount of one million dollars shall be forthwith certified or countersigned, and delivered on the written order of the president of the Railroad Company to such person or persons as may be designated in said order, either at one time or from time to time: **Provided**, That the Trustee shall, before such delivery, first receive the par value of the bonds delivered in lawful money of the United States, and that the Railroad Company, in advance, shall have paid to the Trustee a rental in addition to that herein stipulated for of two hundred and eighteen thousand four hundred and seventy-five dollars, in lawful money aforesaid, or, at the option of the Trustee, part thereof in lawful money as aforesaid and part thereof in couplers, air brakes, journal bearings, and door fixtures, fit and proper to be used in the construction of the aforesaid cars and acceptable to the contractor for such construction.

(4.) When certificates or obligations are countersigned or certified by the Trustee to the effect that they are issued under this indenture, such Trustee's certificate shall be conclusive evidence that said certificates or obligations are car-trust bonds issued in accordance with and entitled to the security hereof, whatever the form or denomination of such certificates or obligations may be.

Second.—From time to time, according to the terms of the said bonds, during the continuance of this lease, the Railroad Company shall deposit with the Trustee for the purpose of enabling the Trustee to make payment of the maturing coupons on the bonds hereinbefore described, a sum of

money in gold coin of the United States of the present standard of weight and fineness, equal to the amounts of the said coupons, without deduction for any United States or State tax whatsoever which the Railroad Company is or may be liable by law to retain therefrom, and which it may in the said bonds agree to pay, which amounts, if so deposited, shall be applied by the Trustee to the payment of said coupons.

Third.—The Railroad Company shall deposit with the Trustee on the dates on which the respective twenty series of bonds hereinbefore described shall mature and become payable, further sums of money in lawful gold coin of the United States of the present standard of weight and fineness, equal to the amounts of the said respective series as they mature and become payable, and for the purpose of enabling the Trustee to pay the same, which amounts shall be so applied by the Trustee.

Fourth.—The Railroad Company doth also covenant and agree with the Trustee to pay all taxes which may be imposed by lawful authority upon the railroad equipment and rolling stock hereby leased, and also to keep and maintain the said railroad equipment and rolling stock in good order and repair, and from time to time, as any portion of the said equipment and rolling stock is destroyed or injured or worn out by use, to replace the same with equipment of like character and equal value, so that at all times the equipment and rolling stock hereby leased shall be maintained in substantially as good condition as it was at the time of its delivery to the Railroad Company.

Fifth.—The Railroad Company hereby also covenants to keep the said equipment plainly marked upon both sides thereof with the name of The Girard Life Insurance, Annuity and Trust Company of Philadelphia, Lessor, and of the Lehigh Valley Railroad Company, the lessee, to cause this indenture of lease to be duly recorded, and to do such other acts as may be necessary or proper for the full protection of the property of the lessor and its rights hereunder.

Sixth.—The Railroad Company shall and will furnish to the Trustee once in every year during the continuance of this lease an accurate statement of the said leased cars in actual service, the number and description of such as may have been destroyed and of such as may have been substituted for those destroyed during the preceding year, and, so far as may be practicable, of the number repaired during the preceding year, and the number then undergoing repair.

The Trustee shall have the right to inspect the said railroad equipment and rolling stock once a year during the continuance of this lease by any agent to be appointed by the Trustee; and the Railroad Company shall furnish to the said agent his necessary transportation and pay all his necessary expenses in making the said inspection within reasonable and proper limits, and shall pay his reasonable charges for his services in so doing.

Seventh.—In case the Railroad Company shall at any time make default in the payment either of the principal or interest of the car-trust bonds hereinbefore recited, as the same shall become due and payable, or in the performance of any of its covenants herein contained, and such default shall continue for a period of thirty days after due demand has been made for payment or the performance of such covenants, then the principal of the said car-trust bonds shall at once become due and payable, anything therein contained to the contrary notwithstanding; and it shall be lawful for the Trustee forthwith to enter upon and take possession of all the equipment hereby leased, including all substitutions under article fourth, or to require the Railroad Company to forthwith deliver the said equipment to it at any convenient point or points which the said Trustee may select on the line of the railroad system of said Railroad Company; and the said Railroad Company does hereby covenant and agree, upon demand being made by the said Trustee for the delivery of the said equipment in pursuance of the provisions of this article, to forthwith deliver to the said Trustee or its authorized agent all the said equipment at such point or points on its line or system as the Trustee may name.

Eighth.—In case the said Trustee shall take possession of the said equipment, upon default in pursuance of the provisions hereof, the said Trustee shall hold the same for the security and benefit of the holders of the car-trust bonds issued by the Railroad Company in pursuance of the provisions of this agreement, and it shall be lawful for the Trustee, having taken possession as aforesaid, to make sale of said equipment at public sale, in one lot or in separate portions, as the said Trustee shall deem best, after reasonable public notice, and to make delivery thereof without any responsibility on the part of the purchaser or purchasers of the same to see to the application of the purchase money; and at such sale the Trustee or the holder or holders of any of the bonds secured hereby may become the purchaser, free from any claim of the Railroad Company thereto or thereon; and the proceeds of such sale, after payment of the necessary expenses of the Trustee in the premises and a reasonable compensation to the Trustee, shall be applied by the Trustee to the payment *pro rata* of the principal and interest of the car-trust bonds of the Railroad Company issued hereunder and hereby secured.

Ninth.—It is further covenanted and agreed, and the trusts created by this instrument are accepted on the express condition that the Trustee shall not incur any liability or responsibility whatever for any destruction, deterioration, injury, or damage which may be done or occur to any of the equipment hereby leased or intended so to be, nor shall the Trustee be responsible for any matter or thing connected with the trust hereby created except for the willful and intentional breach of its duties hereunder; and the Trustee shall not be required or obliged to take any action under this lease which will involve the expenditure by it of money or the incurring by it of legal liability for the expenditure of money for the enforcement of the terms and provisions hereof, unless it shall have been first previously indemnified against all its costs, charges, and expenses to be incurred by reason of any such action, and also indemnified as to its compensation therefor, such indemnity to be by deposit of a sum sufficient to cover all the aforesaid charges or by security

satisfactory to the Trustee ; and in case the Trustee shall come into possession of the said leased equipment the Trustee shall be authorized to pay such reasonable compensation as it may deem proper to all attorneys, servants, and agents whom it may reasonably employ in the management of the trust. The Trustee shall be entitled to and shall have just compensation for all services which it may render in connection with the trust, to be paid by the Railroad Company.

Tenth.—The Trustee may be removed at any time by an instrument in writing subscribed by a majority in interest of the holders of the bonds hereby secured and then outstanding, and with the written assent of the Railroad Company, and in case the Trustee should be removed, as herein provided, or by a court of competent jurisdiction, or should resign, or the trust should in any way become vacant, a majority in amount of the bondholders shall have the right and power, by an instrument in writing subscribed to by them, with the assent of the board of directors of the Railroad Company, to appoint a new Trustee to fill such vacancy. In case a vacancy occur which shall not be filled in the method hereinbefore provided for a period of three months after such vacancy occur, it shall be lawful for any party in interest to apply to any court of competent jurisdiction to fill the vacancy.

Eleventh.—If the Lehigh Valley Railroad Company shall well and truly pay the sums of money hereinbefore reserved to be paid according to the terms and conditions of this lease, and shall keep all the covenants by it in this indenture covenanted to be performed according to the true intent and meaning thereof, then and in that case, upon the first day of February, 1906, the Trustee hereby covenants with the Railroad Company to grant and convey to the Railroad Company, in consideration of the sum of one dollar then to be paid to it by the Railroad Company, all of the equipment hereby leased, or that may then be subject to the terms of this lease, and upon payment of all other amounts properly due hereunder, and provided that the Trustee shall then and at that time be

II

under no liability touching the matters and things herein contained, but shall have been fully released and discharged therefrom. And thereupon the bonds aforesaid shall be canceled by the Trustee, and delivered after such cancellation to the Railroad Company, or at the option of the Railroad Company the Trustee shall effectually destroy the said bonds and deliver to the Railroad Company a certificate satisfactory to the Railroad Company of the fact of such destruction.

In Witness Whereof, The said The Girard Life Insurance, Annuity and Trust Company of Philadelphia, and the said Lehigh Valley Railroad Company have caused this indenture to be signed in their respective names by their respective presidents or vice-presidents, and sealed with their respective corporate seals, attested by their respective secretaries, the day and year first above written.

THE GIRARD LIFE INSURANCE, ANNUITY AND TRUST
COMPANY, OF PHILADELPHIA, TRUSTEE,

By

E. B. MORRIS,
President.

Attest :

WILLIAM N. ELY,
Treasurer.



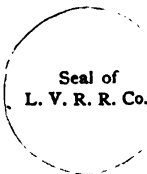
LEHIGH VALLEY RAILROAD COMPANY,

By

CHAS. HARTSHORNE,
Vice-President.

Attest :

JNO. R. FANSHAWE,
Secretary.



State of Pennsylvania, }
 County of Philadelphia, } ss.

On the eighth day of January, A. D. 1896, before me, the subscriber, a notary public of the Commonwealth of Pennsylvania and residing in Philadelphia, personally came William N. Ely, treasurer of the within-named corporation, The Girard Life Insurance, Annuity and Trust Company of Philadelphia, who being duly affirmed according to law, deposes and says that he was personally present at the execution of the above-written indenture of lease and saw the common or corporate seal of the said The Girard Life Insurance, Annuity and Trust Company of Philadelphia duly affixed thereto; and that the seal so affixed thereto is the common or corporate seal of the said corporation, and that the above or within indenture of lease was duly signed, sealed, and delivered by and as and for the act and deed of the said corporation for the uses and purposes therein mentioned, and by order and authority of the said corporation, and that the names of Effingham B. Morris, president of said corporation, and of this deponent, subscribed to said lease in attestation of the due execution and delivery thereof, are in the proper and respective handwritings of said Effingham B. Morris and of this deponent.

WILLIAM N. ELY.

Affirmed and subscribed before me, the day and year last above written. Witness my hand and notarial seal.

[Notarial
 Seal.]

JOHN W. LEWIS,
Notary Public.

State of Pennsylvania, }
County of Philadelphia, } ss.

On the seventh day of January, A. D. 1896, before me, the subscriber, a notary public of the Commonwealth of Pennsylvania and residing in Philadelphia, personally came John R. Fanshawe, secretary of the within-named corporation, the Lehigh Valley Railroad Company, who being duly sworn according to law, deposes and says that he was personally present at the execution of the above-written indenture of lease and saw the common or corporate seal of the said Lehigh Valley Railroad Company duly affixed thereto; and that the seal so affixed thereto is the common or corporate seal of the said corporation, and that the above or within indenture of lease was duly signed, sealed, and delivered by and as and for the act and deed of the said corporation for the uses and purposes therein mentioned, and by order and authority of the said corporation, and that the names of Charles Hartshorne, vice-president of said corporation, and of this deponent, subscribed to said lease in attestation of the due execution and delivery thereof, are in the proper and respective handwritings of said Charles Hartshorne and of this deponent.

JNO. R. FANSHAW.

Sworn and subscribed before me, the day and year last above written. Witness my hand and notarial seal.

EDWARD Y. HARTSHORNE,

[Notarial
Seal.]

Notary Public.

Recorded in the office for recording of deeds, &c., in and for the city and county of Philadelphia, in Mortgage-book W. M. G., No. 1, page 3, &c.



Witness my hand and seal of office, this eleventh day of January, A. D. 1896.

W. M. GEARY,

Recorder of Deeds.

SERIES D.

LEASE OF ROLLING EQUIPMENT,

EDWARD T. STOTESBURY

TO

THE LEHIGH VALLEY RAILROAD COMPANY,

Dated November 23d, 1899,

AND

AGREEMENT OF ASSIGNMENT OF LEASE,

Dated November 23d, 1899,

BETWEEN

EDWARD T. STOTESBURY,

PROVIDENT LIFE AND TRUST COMPANY
OF PHILADELPHIA,

AND

THE LEHIGH VALLEY RAILROAD COMPANY.

This Agreement. Made the twenty-third day of November, one thousand eight hundred and ninety-nine (1899), between **Edward C. Stotesbury**, of the city of Philadelphia, and State of Pennsylvania, hereinafter called the Lessor, of the first part, and the **Lehigh Valley Railroad Company**, hereinafter called the Railroad Company, of the second part—

Witnesseth, That for and in consideration as well of the sum of One Dollar (\$1.00) paid by the said Railroad Company to the said Lessor, as of the rents and covenants hereinafter mentioned, the Lessor hath let and leased, and by these presents doth let and lease, to the Railroad Company, for a term ending March 1st, 1911, unless sooner terminated, as hereinafter provided, the cars and locomotives more particularly described as follows:—

300 Wooden Produce Cars of 60,000 pounds capacity each, to be numbered from 5751 to 6050, inclusive.

15 Wooden Milk Cars, to be numbered from 641 to 655, inclusive.

2725 Wooden Box Freight Cars of 60,000 pounds capacity each, to be numbered from 72,001 to 74,725, inclusive.

25 Poultry Cars to be numbered from 1151 to 1175, inclusive.

250 Wooden Gondola Cars of 80,000 pounds capacity each, to be numbered from 11,751 to 12,000, inclusive.

300 Wooden Coal Cars of 80,000 pounds capacity each, to be numbered from 16,001 to 16,300, inclusive.

50 Steel Flat Cars of 100,000 pounds capacity each, to be numbered from 14,001 to 14,050, inclusive.

20 Consolidation Locomotive Engines, to be numbered from 1126 to 1145, inclusive.

5 Pusher Locomotive Engines, to be numbered from 1311 to 1315, inclusive,

which said cars and locomotive engines shall be delivered to the Railroad Company as they shall from time to time be received by the Lessor from the builders at and for the rent hereinafter set out and upon the terms, conditions and covenants following, to wit :—

first.—That the said Railroad Company shall and will pay to the Lessor at the office of the Provident Life and Trust Company of Philadelphia, in the city of Philadelphia, as rent or hire for the said railroad cars and locomotive engines.

I. In cash eight hundred thousand dollars (\$800,000), payable in installments on demand of said Edward T. Stotesbury, the final payment to be made prior to the completion of the delivery to said Stotesbury by the builders of the equipment herein leased.

II. Half yearly on the last days of the months of August and February in each year (the first payment to be made on the 31st day of August, 1900), the following sums :—

(a.) A sum equal to two and one-quarter per cent. on three million dollars (\$3,000,000), which sum thus paid shall be reduced from time to time by an amount equal to two and one-quarter per cent. on such sums as the said Railroad Company shall pay to the Lessor, to be applied in reduction of said sum of three million dollars (\$3,000,000), as specified in paragraph III. of this article.

(b.) A sum equal to all expenses incurred by the Lessor in enforcing the covenants and terms of this lease.

(c.) A sum equal to the taxes upon the income or property of the trust which the Lessor may be liable to pay, and any taxes which may by law be charged against the Lessor on account of the payments of rental hereunder.

III. Yearly, on the last day of February in each year, beginning with the last day of February, 1901, the sum of three

hundred thousand dollars (\$300,000), making in all ten annual payments of three hundred thousand dollars (\$300,000) each.

The deferred payments of rental provided for in paragraphs II. and III. shall be evidenced by equipment notes in form substantially as follows:—

UNITED STATES OF AMERICA.

State of Pennsylvania.

LEHIGH VALLEY RAILROAD COMPANY.

\$1000. (No.) \$1000.

Four and one-half per cent. Gold Equipment Trust of
\$3,000,000. Series "D."

The Lehigh Valley Railroad Company hereby acknowledges itself to be indebted to the bearer or registered owner hereof, or to the legal representative of such registered owner, as hereinafter provided, in the sum of one thousand dollars in gold coin of the United States of America, which the said company promises to pay to the bearer or to the registered owner hereof, or the legal representative of such registered owner, at the office of the Provident Life and Trust Company of Philadelphia, Trustee, in the city of Philadelphia, State of Pennsylvania, on the day of

A. D. 19 , with interest thereon at the rate of four and one-half per centum per annum, payable semi-annually in like gold coin, on the first day of September and of March in each year, as the same shall become due and payable, at the office of the said Trustee, upon the delivery of the proper coupon therefor.

This certificate is one of a series of three thousand for one thousand dollars each, numbered from one to three thousand, both inclusive, each of like date, tenor and effect, issued under the terms of a lease bearing date the day of 19 , between Edward T. Stotesbury, of the one part, and the Lehigh Valley Railroad Company of the other part.

The payment of both the principal and interest of this certificate is free from any deduction on account of any national, State, or municipal tax which under any present or future law the Railroad Company may be required to deduct therefrom.

The principal of this certificate may be registered in the name of the owner at the office of said Trustee, but when registered, a certificate of such registration shall be endorsed hereon, and upon such registration only the registered owner or the legal representative of such registered owner, shall be entitled to receive the principal thereof. Such registered owner may, however, make this certificate transferable by delivery by registering the same at the office of the Trustee, to bearer, and having a certificate of such registration endorsed thereon. But this certificate shall be subject to successive registration in the name of the owner or to bearer, as aforesaid, at the option of the owner hereof. The obligation thereof shall only become effective when the certificate of the Provident Life and Trust Company of Philadelphia, Trustee, is hereon endorsed.

In Witness Whereof, the Lehigh Valley Railroad Company has caused its corporate seal to be hereunto attached, duly attested, this day of , one thousand nine hundred (1900).

LEHIGH VALLEY RAILROAD COMPANY,
By

President.

Attest:

Secretary.

(Form of Interest Warrant.)

The Lehigh Valley Railroad Company will pay to the bearer, on the first day of , 19 , at the office of the Provident Life and Trust Company, of Philadelphia, in the city of Philadelphia, twenty-two dollars and fifty cents in gold coin, being six months' interest on Certificate No. of Equipment Loan, Series D.

(Trustee's Certificate.)

The Provident Life and Trust Company of Philadelphia hereby certifies that the within certificate is one of an issue of three thousand certificates, of one thousand dollars each, known as Equipment Trust, Series D., issued under lease bearing date the day of , Nineteen hundred (1900), made by Edward T. Stotesbury, to the Lehigh Valley Railroad Company.

THE PROVIDENT LIFE AND TRUST COMPANY
OF PHILADELPHIA,

By

President.

Second.—The Railroad Company covenants and agrees with the Lessor to pay to the Lessor the said rent on the days and in the manner above provided, and at its own expense to keep and maintain the said railroad cars and locomotive engines in good order and repair, and to cause the said railroad cars and the said locomotive engines to be kept numbered as hereinbefore mentioned, and all of said railroad cars and locomotive engines to be plainly marked upon both sides thereof with the words **Edward T. Stotesbury, Lessor**, and that it, the said Railroad Company, will replace at its own cost any of the said cars or locomotive engines which may be destroyed from any cause whatever during the continuance of this lease, by other railroad cars or locomotive engines of equal value as those destroyed, and of substantially like material, character, and construction, and that it, the said Railroad Company, will not allow the name or designation of any person, association, or corporation to be placed on any of the said railroad cars or locomotive engines except the words "Lehigh Valley," or the letters "L. V." or "L. V. R. R.," provided, however, that the designation of parts or apparatus used on said cars may be lettered thereon, as, for instance:—

"Westinghouse Air Brake."

"Sterling Worth Brake Beam."

"M. C. B. Yoke Coupler."

Third.—The Railroad Company further covenants and agrees to furnish to the Lessor once in every year during the continuance of this lease, an accurate statement of the said railroad cars and locomotive engines in actual service, the numbers and description of such as may have been destroyed and substituted by others, the numbers of those repaired during the preceding year, and the numbers of those at the date of such statement undergoing repair or in the shops for repairs; and that the Lessor shall have the right to inspect the said railroad cars and locomotive engines once a year, during the continuance of this lease, by an agent or agents to be appointed by the said Lessor, whose compensation, however, shall be paid by the said Railroad Company.

Fourth.—The Railroad Company further covenants that there shall be no assignment or transfer of its rights or interests in said railroad cars or locomotive engines under this lease nor any underletting of the said leased property without the consent of the Lessor endorsed hereon; and that the Lessor shall have the right to declare this lease terminated in case of any unauthorized sale or transfer thereof, and the election of the Lessor to terminate this lease under this clause shall have the same effect as to the retaking of the said railroad cars and locomotive engines by the Lessor, as hereinafter provided, and a transfer by bankruptcy, or under judicial process shall be deemed a breach of this covenant.

Fifth.—That in case the Railroad Company shall make default in the payment of any part of the said rental for more than thirty days after the same shall have become payable, or shall fail to keep the said railroad cars and locomotive engines in good serviceable condition, or to perform any of the other covenants herein contained, to be performed, on its part, the Lessor may declare this lease terminated, and thereupon all installments of rent reserved hereunder, whether said installments shall then have fallen due or not, shall at once become due and payable, and the Lessor may, by an agent or agents

to be appointed for the purpose, enter upon the railroad or premises whereupon or wherein the said railroad cars and locomotive engines may be, and may retake the said railroad cars and locomotive engines and withdraw the same from the said railroad or premises.

Sixth.—That in case such retaking is had or rightfully demanded by the Lessor in pursuance of this lease, the Railroad Company will at its own expense forthwith and in the usual manner and at the usual speed of freight trains, draw the said railroad cars and locomotive engines to such points on its railroad as shall reasonably be designated by the Lessor; and will there deliver the same to the Lessor; and it is hereby expressly covenanted between the said Lessor and the said Railroad Company that performance of this covenant as herein set forth is of the essence of the contract between the parties, and upon application to any court of equity having jurisdiction in the premises the said Lessor shall be entitled to a decree against the said Railroad Company requiring specific performance hereof.

Seventh.—The said Lessor hereby covenants and agrees with the said Railroad Company that when it, the said Railroad Company, shall have fully paid all the rent which it has herein covenanted to pay, he, the said Lessor, shall and will, upon the payment by the Railroad Company to the Lessor of the additional sum of one dollar (\$1.00), sell, assign, and transfer to the Railroad Company as its absolute property all the railroad cars and locomotive engines held under this lease, and evidence such sale and transfer by an appropriate bill of sale, so that thereupon and thereafter the absolute ownership in said railroad cars and locomotive engines shall be and become vested in said Railroad Company.

In Witness Whereof, the said Lessor has signed and sealed these presents, and the said Railroad Company has caused its

corporate seal to be hereunto affixed and duly attested and sealed and delivered in the presence of us.

E. T. STOTESBURY. [SEAL]

LEHIGH VALLEY RAILROAD COMPANY,

By

ALFRED WALTER,
President.



Attest:

JNO. R. FANSHAWE,
Secretary.

GEO. M. PAUL,
As to E. T. Stotesbury.

J. WM. ROBBINS,
As to Lehigh Valley Railroad Company.

State of Pennsylvania, }
County of Philadelphia, } ss.

Before me, the undersigned, a notary public, residing in the county and State aforesaid, personally appeared Edward T. Stotesbury, the Lessor hereinabove named, and acknowledged the foregoing indenture of lease to be his act and deed for the purposes therein mentioned, and to the end that the same might be recorded, in accordance with an Act entitled "An Act relating to certain contracts for the lease or conditional sale of railroad equipment and rolling stock and providing for the record thereof." Approved July 5th, 1883.

Witness my hand and official seal this twenty-third day of November, A. D. 1899.

GEO. H. HILL,
Notary Public.

[SEAL]

INTERNAL
REVENUE STAMP.
10 CENTS.

State of Pennsylvania, }
 County of Philadelphia, } ss.

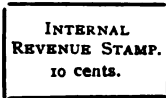
Be it Remembered, that on this twenty-ninth day of November, 1899, before me, the subscriber, a notary public within and for said State and county, residing at Philadelphia, personally appeared John R. Fanshawe, who, being duly affirmed, says that he is the secretary of the Lehigh Valley Railroad Company, and that he was personally present at the execution of the foregoing indenture of lease, and caused the corporate seal of said company to be affixed thereto, that the seal so affixed is the common and corporate seal of said company, that the said indenture of lease was duly executed by and as the act and deed of the said company, for the uses and purposes therein mentioned, by the authority of the board of directors thereof, and that the signature of Alfred Walter as president, and as this deponent as secretary aforesaid, to said indenture of lease, are of their own proper and respective handwritings.

JNO. R. FANSHAW.

Affirmed and subscribed before me the day and year aforesaid. Witness my hand and notarial seal.

EDWARD Y. HARTSHORNE,
Notary Public.

[SEAL]



Recorded in the office for the recording of deeds in and for the city and county of Philadelphia, in Mortgage Book J. V., No. 123, page 360, &c.

Witness my hand and seal of office this eleventh day of December, A. D. 1899.

JOHN VIRDIN,
Recorder of Deeds.

This Agreement, Made this twenty-third day of November, A. D. one thousand eight hundred and ninety-nine, between **Edward T. Stotesbury**, of the city of Philadelphia and State of Pennsylvania, of the first part, and **The Provident Life and Trust Company of Philadelphia**, hereinafter called the Trustee, of the second part, and the **Lehigh Valley Railroad Company**, hereinafter called the Railroad Company, of the third part.

Whereas, By indenture of lease bearing even date herewith, of which a copy is hereto annexed, the said Edward T. Stotesbury did lease to the Lehigh Valley Railroad Company certain railroad cars and locomotive engines therein particularly described for a certain term and upon rental in said indenture of lease particularly described;

And Whereas, Drexel & Co, of Philadelphia, bankers, on behalf of the said Edward T. Stotesbury, have secured subscriptions to the amount of three million dollars to a fund to be known as the "Lehigh Valley Equipment Trust, Series D," which said fund is to be applied by the said Edward T. Stotesbury to the payment of the purchase price of the railroad cars and locomotive engines particularly mentioned in said indenture of lease;

And Whereas, The said Edward T. Stotesbury proposes to secure to the parties subscribing to said fund of three million dollars the repayment thereof in ten annual installments of three hundred thousand dollars, beginning March 1st, 1901, with interest meanwhile at the rate of four and one-half per cent. per annum from March 1st, 1900, payable semi-annually on the first days of September and March in each year, payments of said principal and interest to be made in equal yearly installments as to the principal, and in equal half-yearly installments as to the interest; and to evidence the rights of

the subscribers to said fund by the delivery of certificates in the form hereinafter set forth.

Now, this Agreement Witnesseth:—

First.—That the said Edward T. Stotesbury hereby assigns and sets over unto The Provident Life and Trust Company of Philadelphia, as trustee for the holders of the certificates hereinafter set forth, all the right, title and interest of the said Edward T. Stotesbury in and to a certain indenture of lease bearing even date herewith, made by the said Edward T. Stotesbury to the Lehigh Valley Railroad Company, a copy of which is hereunto annexed as hereinbefore stated;

Second.—The said Trustee covenants and agrees that it will certify and deliver to Drexel & Co., for distribution to the several subscribers to said Lehigh Valley Car Trust Fund, three thousand certificates in the following form, which certificates shall be delivered in amounts and at times corresponding to the value and the time of delivery of the various lots of said railroad cars and locomotive engines by the said Edward T. Stotesbury to the Lehigh Valley Railroad Company, the interest coupons for dates prior to such deliveries to be detached therefrom. All of which certificates when and as issued shall be entitled to the security of all such railroad cars and locomotive engines previously and subsequently delivered by said Edward T. Stotesbury to the Railroad Company under the terms of said indenture of lease of even date herewith.

UNITED STATES OF AMERICA.

State of Pennsylvania.

LEHIGH VALLEY RAILROAD COMPANY.

\$1000. (No. .) \$1000.

Four and one-half per cent. Gold Equipment Trust of
\$3,000,000, Series "D."

The Lehigh Valley Railroad Company hereby acknowledges itself to be indebted to the bearer or registered owner hereof,

or to the legal representative of such registered owner, as hereinafter provided, in the sum of one thousand dollars in gold coin of the United States of America, which the said company promises to pay to the bearer or to the registered owner hereof, or the legal representative of such registered owner, at the office of the Provident Life and Trust Company of Philadelphia, Trustee, in the city of Philadelphia, State of Pennsylvania, on the day of , A. D. 19 , with interest thereon at the rate of four and one-half per centum per annum, payable semi-annually in like gold coin, on the first day of September and of March, in each year as the same shall become due and payable, at the office of the said Trustee, upon the delivery of the proper coupon therefor.

This certificate is one of a series of three thousand, for one thousand dollars each, numbered from 1 to 3000, both inclusive, each of like date, tenor, and effect, issued under the terms of a lease bearing date the day of , 19 , between Edward T. Stotesbury of the one part, and the Lehigh Valley Railroad Company of the other part.

The payment of both the principal and interest of this certificate is free from any deduction on account of any national, State or municipal tax which, under any present or future law, the Railroad Company may be required to deduct therefrom.

The principal of this certificate may be registered in the name of the owner at the office of said Trustee, but, when registered, a certificate of such registration shall be indorsed hereon, and, upon such registration, only the registered owner or the legal representative of such registered owner shall be entitled to receive the principal thereof. Such registered owner may, however, make this certificate transferable, by delivery by registering the same at the office of the Trustee, to bearer, and having a certificate of such registration indorsed thereon. But this certificate shall be subject to successive registration in the name of the owner or to bearer, as aforesaid, at the option of the owner hereof. The obligation thereof shall only become effective when the certificate of The

Provident Life and Trust Company of Philadelphia, Trustee,
is hereon indorsed.

In Witness Whereof, The Lehigh Valley Railroad Company
has caused its corporate seal to be hereunto attached, duly
attested, this day of , 1900.

LEHIGH VALLEY RAILROAD COMPANY,
By

President.

Attest:

Secretary.

(Form of Interest Warrant.)

The Lehigh Valley Railroad Company will pay to the
bearer on the first day of , 19 , at the
office of The Provident Life and Trust Company of Philadel-
delphia, in the city of Philadelphia, twenty-two dollars and
fifty cents in gold coin, being six months' interest on certifi-
cate No. of Equipment Loan, Series "D."

(Trustee's Certificate.)

The Provident Life and Trust Company of Philadelphia
hereby certifies that the within certificate is one of an issue of
three thousand certificates of one thousand dollars each,
known as Equipment Trust, Series "D," issued under lease
bearing date the day of ,
1900, made by Edward T. Stotesbury to the Lehigh Valley
Railroad Company.

THE PROVIDENT LIFE AND TRUST COMPANY
OF PHILADELPHIA,

By

President.

The said certificates shall be numbered consecutively from No. 1 to No. 3000, inclusive, and by the terms thereof the principal shall be payable as follows:—

1 to 300,	both inclusive,	on the first day of March,	1901.
301 to 600,	"	"	" 1902.
601 to 900,	"	"	" 1903.
901 to 1200,	"	"	" 1904.
1201 to 1500,	"	"	" 1905.
1501 to 1800,	"	"	" 1906.
1801 to 2100,	"	"	" 1907.
2101 to 2400,	"	"	" 1908.
2401 to 2700,	"	"	" 1909.
2701 to 3000,	"	"	" 1910.

Third.—The said Trustee agrees to keep, at its office in the city of Philadelphia, a register, in which the holders of any such certificates may have the same registered as therein provided.

Fourth.—The Trustee, as assignee of the said Edward T. Stotesbury, lessor, further covenants to enforce so far as possible the performance of all and singular the terms, conditions and covenants of the said lease, and to apply and distribute the rentals thereunder, when and as the same shall be received, for the following purposes:—

(a.) To the payment of the necessary expenses of the trust connected with the said railroad cars and locomotive engines and usual in cases of trust estates;

(b.) To the payment of any taxes upon the income or property of the trust which it may be required to pay, and any taxes which may by law be deductible from the principal of said certificates, or the interest thereon;

(c.) To the payment of the interest warrants attached to the said certificates, when and as the same shall become payable;

(d.) To the payment and redemption of the principal of the said certificates when and as the same shall become payable, the said warrants and certificates to be cancelled upon payment thereof.

It being distinctly understood and agreed that neither the said Trustee, nor any successor in the Trust, shall be liable or

responsible for any matter or thing connected with the trust intended to be hereby created, except for its own or their willful and intentional breach thereof.

Fifth.—The Lehigh Valley Railroad Company becomes a party hereto in order to express its assent to the assignment of said lease by The said Edward T. Stotesbury to The Provident Life and Trust Company of Philadelphia, as Trustee for the benefit of the subscribers to said Lehigh Valley Car Trust Fund, and does hereby accept all the terms of this assignment, including the obligation to make payment of the expenses of said Trustee and of all taxes hereinabove mentioned for which the Trustee may be liable or may by law be required to take from the principal of the said certificates or the interest thereon.

Sixth.—It is further herein agreed and provided that in case the Railroad Company shall at any time make default in the payment of any part of the rental in said lease reserved, for more than thirty days after the same shall become payable, or shall fail to keep and perform all the terms and covenants of the said lease, that the said Trustee shall have the right, as assignees of the said Edward T. Stotesbury, to enforce all the terms and stipulations of said lease; and that in case said Trustee shall retake possession of the said railroad cars and locomotive engines, it may either hold or lease or dispose of said railroad cars and locomotive engines, or so many thereof as it may deem necessary, in such manner, at public or private sale, for cash or upon credit, as the Trustee may deem most beneficial, and that the proceeds of such lease or sale shall be applied by the Trustee to the payment, after deducting the expenses of the trust and all taxes which the Trustee may by law be required to pay in respect to the trust property or the certificates aforesaid or the interest thereon, (1) of the interest warrants then due, and (2) of the principal of all of the said outstanding certificates, whether the same shall then have matured or not, in full, if such proceeds shall be sufficient, and if not, then *pro rata*; and such retaking possession of the said railroad cars

and locomotive engines by the said Trustee shall not be a bar to the recovery by the Trustee from the company for future accruing rent until such sum is realized as with the proceeds of the sale of said cars and engines is sufficient for the payment in full of all taxes and expenses as aforesaid, together with all accrued interest warrants and the principal of all of the said certificates.

Witness the hand and seal of the party of the first part, and the corporate seals, duly attested, of the parties of the second and third parts.

E. T. STOTESBURY. [L. S.]

THE PROVIDENT LIFE AND TRUST COMPANY
OF PHILADELPHIA,

By

SAM. R. SHIPLEY,
President.

Attest:

D. G. ALSOP,
Actuary.



LEHIGH VALLEY RAILROAD COMPANY

By

ALFRED WALTER,
President.

Attest:

JNO. R. FANSHAWE,
Secretary.



Sealed and delivered in
presence of us,

GEO. M. PAUL,
As to E. T. Stotesbury.

F. W. GRAYSON, JR.,
As to The Provident Life and Trust
Company of Philadelphia.

EDW. RAMSEY,
As to The Provident Life and Trust
Company of Philadelphia.

J. WM. ROBBINS,
As to Lehigh Valley Railroad Company.

State of Pennsylvania, }
 County of Philadelphia, } ss.

Be it Remembered, That on the twenty-third day of November, A. D. 1899, before me, the subscriber, a notary public in and for the said county, personally came the above-named Edward T. Stotesbury, who in due form of law acknowledged the foregoing assignment to be his act and deed, to the end that the same might be recorded as such.

Witness my hand and notarial seal the day and year aforesaid.

[SEAL]

GEO H. HILL,
Notary Public.

State of Pennsylvania, }
County of Philadelphia, } ss.

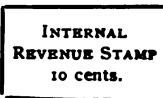
Be it Remembered, That on this twenty-fourth day of November, A. D. 1899, before me, the subscriber, a notary public within and for the said State and county, residing at Philadelphia, personally appeared David G. Alsop, who, being duly affirmed, says that he is the actuary of The Provident Life and Trust Company of Philadelphia, and that he was personally present at the execution of the foregoing assignment of lease, and caused the corporate seal of said company to be affixed thereto; that the seal so affixed is the common and corporate seal of said company; that the said assignment of lease was duly executed by and as the act and deed of the said company for the uses and purposes therein mentioned by the authority of the board of directors thereof, and that the signature of Samuel R. Shipley, as president, and of this deponent as actuary, aforesaid, to said assignment of lease are of their own proper and respective handwritings.

D. G. ALSOP.

Affirmed and subscribed before me, the day and year aforesaid. Witness my hand and notarial seal.

EDW. RAMSEY,
Notary Public.

[SEAL]



State of Pennsylvania, }
 County of Philadelphia, } ss.

Be it Remembered, That on this twenty-ninth day of November, 1899, before me, the subscriber, a notary public within and for said State and county, residing at Philadelphia, personally appeared John R. Fanshawe, who, being duly sworn, says that he is the secretary of the Lehigh Valley Railroad Company, and that he was personally present at the execution of the foregoing assignment of lease, and caused the corporate seal of said company to be affixed thereto; that the seal so affixed is the common and corporate seal of said company; that the said assignment of lease was duly executed by and as the act and deed of the said company for the uses and purposes therein mentioned by the authority of the board of directors thereof, and that the signature of Alfred Walter, as president, and of this deponent as secretary aforesaid, to said assignment of lease are of their own proper and respective handwritings.

JNO. R. FANSHAW.

Sworn and subscribed before me, the day and year aforesaid. Witness my hand and notarial seal.

[SEAL]

EDWARD Y. HARTSHORNE,
Notary Public.

This Agreement, made the _____ day of _____ A. D., 1899, between **Edward C. Stotesburg**, of the city of Philadelphia and State of Pennsylvania, hereinafter called the Lessor, of the first part, and the **Lehigh Valley Railroad Company**, hereinafter called the Railroad Company, of the second part, **Witnesseth** :

That for and in consideration as well of the sum of one dollar paid by the said Railroad Company to the said Lessor as of the rents and covenants hereinafter mentioned, the Lessor has let and leased, and by these presents doth let and lease to the Railroad Company for a term ending March 1st, 1911, unless sooner terminated, as hereinafter provided, the cars and locomotives more particularly described as follows :

300 Wooden Produce Cars of 60,000 pounds capacity each, to be numbered from 5751 to 6050, inclusive ;

15 Wooden Milk Cars, to be numbered from 641 to 655, inclusive ;

2725 Wooden Box Freight Cars of 60,000 pounds capacity each, to be numbered from 72,001 to 74,725, inclusive ;

25 Poultry Cars, to be numbered from 1151 to 1175, inclusive ;

250 Wooden Gondola Cars, of 80,000 pounds capacity each, to be numbered from 11,751 to 12,000, inclusive ;

300 Wooden Coal Cars, of 80,000 pounds capacity each, to be numbered from 16,001 to 16,300, inclusive ;

50 Steel Flat Cars, of 100,000 pounds capacity each, to be numbered from 14,001 to 14,050, inclusive ;

20 Consolidation Locomotives Engines, to be numbered from 1126 to 1145, inclusive ;

5 Pusher Locomotive Engines, to be numbered from 1311 to 1315, inclusive.

Which said cars and locomotive engines shall be delivered to the Railroad Company as they shall from time to time be received by the Lessor from the builders, at and for the rent hereinafter set out, and upon the terms, conditions, and covenants following, to wit:

First.—That the said Railroad Company shall and will pay to the Lessor, at the office of The Provident Life and Trust Company of Philadelphia, in the city of Philadelphia, as rent or hire for the said railroad cars and locomotive engines;

I. In cash, eight hundred thousand dollars, payable in installments on demand of said Edward T. Stotesbury, the final payment to be made prior to the completion of the delivery to said Stotesbury by the builders of the equipment herein leased.

II. Half-yearly, on the last days of the months of August and February in each year (the first payment to be made on the thirty-first day of August, 1900), the following sums:—

(a.) A sum equal to two and one-quarter per cent. on three million dollars, which sum thus paid shall be reduced from time to time by an amount equal to two and one-quarter per cent. on such sums as the said Railroad Company shall pay to the Lessor to be applied in reduction of said sum of three million dollars, as specified in paragraph III. of this article.

(b.) A sum equal to all expenses incurred by the Lessor in enforcing the covenants and terms of this lease.

(c.) A sum equal to the taxes upon the income or property of the trust which the Lessor may be liable to pay, and any taxes which may by law be charged against the Lessor on account of the payments or rental hereunder.

III. Yearly, on the last day of February in each year, beginning with the last day of February, 1901, the sum of three hundred thousand dollars, making in all ten annual payments of three hundred thousand dollars each.

The deferred payments of rental provided for in paragraphs II. (a) and III. shall be evidenced by equipment notes in form substantially as follows:—

UNITED STATES OF AMERICA.

State of Pennsylvania.

LEHIGH VALLEY RAILROAD COMPANY.

\$1,000. (No. .) \$1,000.

Four and one-half per cent. Gold Equipment Trust of
\$3,000. Series "D."

The Lehigh Valley Railroad Company hereby acknowledges itself to be indebted to the bearer or registered owner hereof, or to the legal representative of such registered owner, as hereinafter provided, in the sum of one thousand dollars in gold coin of the United States of America, which the said company promises to pay to the bearer or to the registered owner hereof, or the legal representative of such registered owner, at the office of The Provident Life and Trust Company of Philadelphia, Trustee, in the city of Philadelphia, State of Pennsylvania, on the day of A. D. 19 , with interest thereon at the rate of four and one-half per centum per annum, payable semi-annually in like gold coin, on the first day of September and of March in each year, as the same shall become due and payable, at the office of the said Trustee, upon the delivery of the proper coupon therefor.

This certificate is one of a series of three thousand for one thousand dollars each, numbered from 1 to 3000, both inclusive, each of like date, tenor and effect, issued under the terms of a lease bearing date the day of , 19 , between Edward T. Stotesbury, of the one part, and the Lehigh Valley Railroad Company, of the other part.

The payment of both the principal and interest of this certificate is free from any deduction on account of any national, State, or municipal tax which under any present or future law the Railroad Company may be required to deduct therefrom.

The principal of this certificate may be registered in the name of the owner at the office of said Trustee, but, when

registered, a certificate of such registration shall be indorsed hereon, and upon such registration only the registered owner or the legal representative of such registered owner shall be entitled to receive the principal thereof. Such registered owner may, however, make this certificate transferable by delivery, by registering the same at the office of the Trustee, to bearer, and having a certificate of such registration indorsed thereon. But this certificate shall be subject to successive registration in the name of the owner or to bearer, as aforesaid, at the option of the owner hereof. The obligation thereof, shall only become effective when the certificate of The Provident Life and Trust Company of Philadelphia, Trustee, is hereon indorsed.

In Witness Whereof, The Lehigh Valley Railroad Company has caused its corporate seal to be hereunto attached, duly attested, this _____ day of _____, 1900.

LEHIGH VALLEY RAILROAD COMPANY,
By

President.

Attest :

Secretary.

(Form of Interest Warrant.)

The Lehigh Valley Railroad Company will pay to the bearer, on the first day of _____, 19____, at the office of The Provident Life and Trust Company of Philadelphia, in the city of Philadelphia, twenty-two dollars and fifty cents in gold coin, being six months' interest on certificate No. _____ of Equipment Loan, Series "D."

(Trustee's Certificate.)

The Provident Life and Trust Company of Philadelphia hereby certifies that the within certificate is one of an issue of three thousand certificates of one thousand dollars each, known as Equipment Trust, Series "D," issued under lease

bearing date the _____ day of _____, 1900,
made by Edward T. Stotesbury to the Lehigh Valley Rail-
road Company.

THE PROVIDENT LIFE AND TRUST COMPANY
OF PHILADELPHIA,

By

President.

Second.—The Railroad Company covenants and agrees with the Lessor to pay to the Lessor the said rent on the days and in the manner above provided, and, at its own expense, to keep and maintain the said railroad cars and locomotive engines in good order and repair, and to cause the said railroad cars and the said locomotive engines to be kept numbered as hereinbefore mentioned, and all of said railroad cars and locomotive engines to be plainly marked on both sides thereof with the words "Edward T. Stotesbury, Lessor," and that it, the said Railroad Company, will replace, at its own cost, any of the said cars or locomotive engines which may be destroyed from any cause whatever during the continuance of this lease, by other railroad cars or locomotive engines, of equal value as those destroyed and of substantially like material, character, and construction; and that it, the said Railroad Company, will not allow the name or designation of any person, association, or corporation to be placed on any of the said railroad cars or locomotive engines, except the words "Lehigh Valley," or the letters "L. V." or "L. V. R. R.": **Provided, however,** that the designation of parts or apparatus used on said cars may be lettered thereon, as, for instance, "Westinghouse Air Brake," "Sterling Worth Brake Beam," "M. C. B. Yoke Coupler."

Third.—The Railroad Company further covenants and agrees to furnish to the Lessor once in every year during the continuance of this lease, an accurate statement of the said railroad cars and locomotive engines in actual service, the numbers and description of such as may have been destroyed

and substituted by others, the numbers of those repaired during the preceding year, and the numbers of those at the date of such statement undergoing repair or in the shops for repairs; and that the Lessor shall have the right to inspect the said railroad cars and locomotive engines once a year, during the continuance of this lease, by an agent or agents to be appointed by the said Lessor, whose compensation, however, shall be paid by the said Railroad Company.

Fourth.—The Railroad Company further covenants that there shall be no assignment or transfer of its rights or interests in said railroad cars or locomotive engines under this lease nor any underletting of the said leased property without the consent of the Lessor indorsed hereon; and that the Lessor shall have the right to declare this lease terminated in case of any unauthorized sale or transfer thereof, and the election of the Lessor to terminate this lease under this clause shall have the same effect as to the retaking of the said railroad cars and locomotive engines by the Lessor as hereinafter provided, and a transfer by bankruptcy or under judicial process shall be deemed a breach of this covenant.

Fifth.—That in case the Railroad Company shall make default in the payment of any part of the said rental for more than thirty days after the same shall have become payable, or shall fail to keep the said railroad cars and locomotive engines in good, serviceable condition, or to perform any of the other covenants herein contained, to be performed, on its part, the Lessor may declare this lease terminated, and thereupon all installments of rent reserved hereunder, whether said installments shall then have fallen due or not, shall at once become due and payable, and the Lessor may, by an agent or agents to be appointed for the purpose, enter upon the railroad or premises whereupon or wherein the said railroad cars and locomotive engines may be, and may retake the said railroad cars and locomotive engines, and withdraw the same from the said railroad or premises.

Sixth.—That in case such retaking is had or rightfully demanded by the Lessor in pursuance of this lease, the Railroad Company will, at its own expense, forthwith and in the usual manner and at the usual speed of freight trains, draw the said railroad cars and locomotive engines to such points on its railroad as shall reasonably be designated by the Lessor, and will there deliver the same to the Lessor; and it is hereby expressly covenanted between the said Lessor and the said Railroad Company that performance of this covenant as herein set forth is of the essence of the contract between the parties, and, upon application to any court of equity having jurisdiction in the premises, the said Lessor shall be entitled to a decree against the said Railroad Company requiring specific performance hereof.

Seventh.—The said Lessor hereby covenants and agrees with the said Railroad Company, that when it, the said Railroad Company, shall have fully paid all the rent which it has herein covenanted to pay, he, the said Lessor, shall and will, upon the payment by the Railroad Company to the Lessor of the additional sum of one dollar, sell, assign, and transfer to the Railroad Company, as its absolute property, all the railroad cars and locomotive engines held under this lease, and evidence such sale and transfer by an appropriate bill of sale, so that thereupon and thereafter the absolute ownership in said railroad cars and locomotive engines shall be and become vested in said Railroad Company.

In Witness Whereof, The said Lessor has signed and sealed these presents, and the said Railroad Company has caused its corporate seal to be hereunto affixed and duly attested and sealed and delivered in the presence of us.



LEHIGH VALLEY RAILROAD COMPANY,
By

President.

Attest:

Secretary.

State of Pennsylvania, }
County of Philadelphia, } ss.

Before me, the undersigned, a notary public residing in the county and State aforesaid, personally appeared Edward T. Stotesbury, the Lessor hereinabove named, and acknowledged the foregoing indenture of lease to be his act and deed for the purposes therein mentioned, and to the end that the same might be recorded in accordance with an Act entitled "An Act relating to certain contracts for the lease or conditional sale of railroad equipment and rolling stock, and providing for the record thereof." Approved July 5, 1883.

Witness my hand and official seal this _____ day
of _____, A. D. 1899.

[SEAL]

Notary Public.

State of Pennsylvania, }
County of Philadelphia, } ss.

Be it Remembered, that on this _____ day of _____, 1899, before me, the subscriber, a notary public within and for said State and county, residing at Philadelphia, personally appeared John R. Fanshawe, who, being duly affirmed, says that he is the secretary of the Lehigh Valley Railroad Company, and that he was personally present at the execution of the foregoing indenture of lease, and caused the corporate seal of said company to be affixed thereto; that the seal so affixed is the common and corporate seal of said company; that the said indenture of lease was duly executed by and as the act and deed of the said company, for the uses and purposes therein mentioned, by the authority of the board of directors thereof; and that the signature of Alfred Walter, as president, and of this deponent, as secretary aforesaid, to said indenture of lease, are of their own proper and respective handwritings.

Affirmed and subscribed before me the day and year aforesaid. Witness my hand and notarial seal.

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